

# **Sustainable Reporting Practices of Indian Listed Companies: A Comprehensive Comparison with Global Standards**

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## **ABSTRACT**

As the world's attention shifts to sustainable development, companies everywhere are implementing open and accountable reporting practices, with a focus on environmental, social, and governance (ESG) issues. This study looks at the extent to which Indian listed companies integrate environmental, social, and governance (ESG) aspects into their reporting practices and how they report sustainably. Through an examination of annual reports, sustainability reports, and other relevant documents, this study aims to identify the prevailing patterns, challenges, and factors impacting sustainable reporting in the Indian business sector. The study assesses the impact of legislative frameworks and international reporting standards on the adoption of sustainable reporting practices by Indian listed enterprises. Through a thorough examination of multiple approaches, the research enhances our understanding of the dynamic environment. The study was conducted for a period of five years. The study is empirical in nature. The major sources of data were collected from secondary sources. For analysis, the proper statistical techniques are employed.

Keywords: Sustainability Reporting, ESG, Indian Corporate Sector, NSE, Listed Companies, Disclosures.

## **INTRODUCTION**

The incorporation of the financial, environmental, and social statistics of a company in one report is a new trend in the context of corporate reporting practices and is referred to as sustainability reporting (Bhatia & Tuli, 2017). GRI (Global Reporting Initiative) is considered the world's most widely accepted protocol for disseminating sustainability reports (Quick, 2008; Laskar & Maji, 2016). Sustainability reporting, as defined by the Global Reporting Initiative (GRI), 2006, is the process of attaining sustainable development goals via organizational performance measurement and disclosure, as well as responsibility to internal and external stakeholders. Addressing present needs without negatively impacting those of future generations is the fundamental objective of sustainable development. The primary goal of financial reporting is to enhance shareholder value by optimizing share prices. Nowadays, income sustainability reporting has to be integrated into basic business plans for all firms operating in the world's industrial economies. This is as a result of varying degrees of pressure exerted by the stakeholders of the companies, such as customers, suppliers, shareholders, etc., who ask for fairness and transparency in the conduct of business and practices that are socially and environmentally friendly (Garg, 2017) It's clear that, in the Indian context, most corporations employ the recent concept of sustainability to establish their brand or reputation, rather than consider it an obligation to provide feedback to the stakeholder society. The Companies Act, 2013, underwent a pivotal amendment in 2021, launching the Business Responsibility and Sustainability Reporting (BRSR) making it mandatory for the top 1000 listed companies to disclose their ESG (environment, social, governance) performance Thus, this paper aims to study the sustainability reporting practices followed by the listed companies and at the same time, focus on the fact if there is any significant difference among the sustainability reporting practices of the sample companies. GRI (Global Reporting Initiative) is an independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with a global common language to communicate those impacts. With the help of the GRI Standards, any business, regardless of size—public or private—can now more openly promote sustainable development by comprehending and disclosing its effects on the environment, the economy, and people in a way that is credible and comparable. The Standards are highly significant to a wide range of stakeholders, including governments, capital markets, investors, and civil society, in addition to corporations. The Standards offer a comprehensive perspective on the material topics, associated ramifications, and management practices of an organization. They are intended to be a simple, modular assembly.

## **REVIEW OF LITERATURE**

Mahesh Kumar<sup>\*</sup>, Navneet Raj & Rupesh Roshan (2023) attempt to calculate the level and quality of corporate sustainability reporting practices of companies in India that use the Global Reporting Initiative (GRI). The study also seeks to measure the relative reporting performance of these companies and rank them based on sustainability disclosure

criteria—namely economic, environmental, social, and governance parameters—as outlined in the Global Reporting Initiative Guidelines (GRI-G4). A Multi-Criteria Decision-Making technique is employed to assess—improvements in the sustainability reporting practices of GRI-based reporting companies in India. (Paliwal & Paliwal, 2023.) The present paper studies the CSR reporting practices of the Pharma companies based in Gujarat and ranks them based on their reporting and disclosure practices. Mann-Whitney U test results find that there is no significant difference in CSR disclosures of sample companies based on identified variables except the price-earnings ratio (PER). Further, the CSR disclosure by pharma companies is still in its infancy and lacks the rigor and quality that it should possess, despite the growing expenditure on CSR activities as mandated by the Companies Act, 2013. (Kumawat et al., n.d.) in this study analyzed the disclosure practices and content elements of IR practices of the selected companies. For this purpose, DIS was calculated with the help of a checklist, prepared based on the content elements of the IR according to the IR Framework. A comparison of sectors revealed that the financial industry was the only one to confirm a statistically significant variation in the number of businesses in different DIS categories over time. The remaining sectors did not exhibit a statistically significant variation in the number of enterprises falling into different DIS categories over time. Additionally, it was discovered that although consumer staples, communication, and other sectors indicated a modest amount of disclosure practice, the financial and industrial sectors showed a higher level of disclosure practice. Nearly every industry displayed a growing trend in Category A, indicating that businesses across all industries have been disclosing more information over time. (Mahajan, 2022) Undertook an examination of environmental, social, and governance reporting compliance by the top 100 companies in India. It presents and discusses companies' compliance, the nature of disclosures, and the issues and challenges in reporting. The paper provides insights into sustainability reporting compliance amid the ongoing efforts to develop reporting regulations in India suited to the country context and, simultaneously, at par with global standards. Dash & Kumar Dey,(2023) conducted a case study of listed companies who are following sustainable reporting practices. it was found that the sustainability reporting practices of the sample companies differed significantly. Moreover, international or global investors are more interested in investing in companies that are following sustainability norms than in companies that are not following sustainability practices. Therefore, companies must adopt sustainability practices to improve their performance in the long run. D. Somnath Bose s.k.& Dalla R. (2014) the study was conducted to understand the environmental performance of Indian organizations. It is a study of the environmental performances of a select set of Indian organizations that seems to suggest a decreasing trend in resource usage during this period and points towards other improvements, which could support and further sustainability drives in these organizations. In addition, the concept of eco-intensity changes index (EICI). Ritika Mahajan (2022) BR reporting in India was discovered by the study through an examination of BR reports from the top 100 corporations and a survey of experts. It also noted that many industry leaders continued to not release a BRR. Three maximum levels of transparency were noted in social disclosures, with an annual increase in the number of disclosures.

## OBJECTIVE

- To analyze the sustainability reporting practices of selected listed companies

## RESEARCH METHODOLOGY

The study is empirical, and data have been collected from secondary sources. 30 listed companies were selected for the study. The annual reports of the companies, available on their official websites, other websites have been referred to for collection. The study covers a period of five years, that is, from 2017-18 to 2021-2011. For this study, two variables have been taken as representations of sustainability reporting.

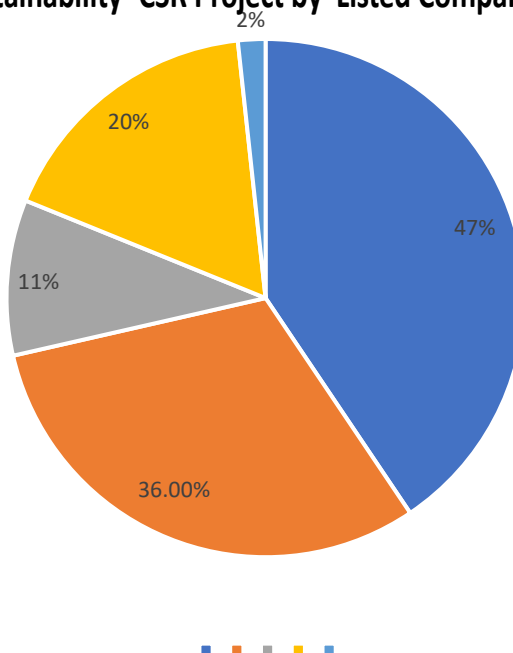
**Table 1 Number of Environmental Sustainability -CSR Projects by Listed Companies**

	0-1	2-5	5-10	10-15	Above 15	total
year						
2017-18	18	11	1	0	0	30
2018-2019	14	12	3	0	1	30
2019-2020	15	12	2	1	0	30
2020-2021	14	11	3	1	1	30
2021-2022	10	8	8	3	1	30
Avg. number of companies	14.2	10.8	3.4	1	0.6	
percentage	47.33%	36%	11.33%	20%	2%	

Source Secondary data collected

CHART NO.1

**Number of Environmental Sustainability -CSR Project by Listed Companies**



**Table no.1 -Interpretation**

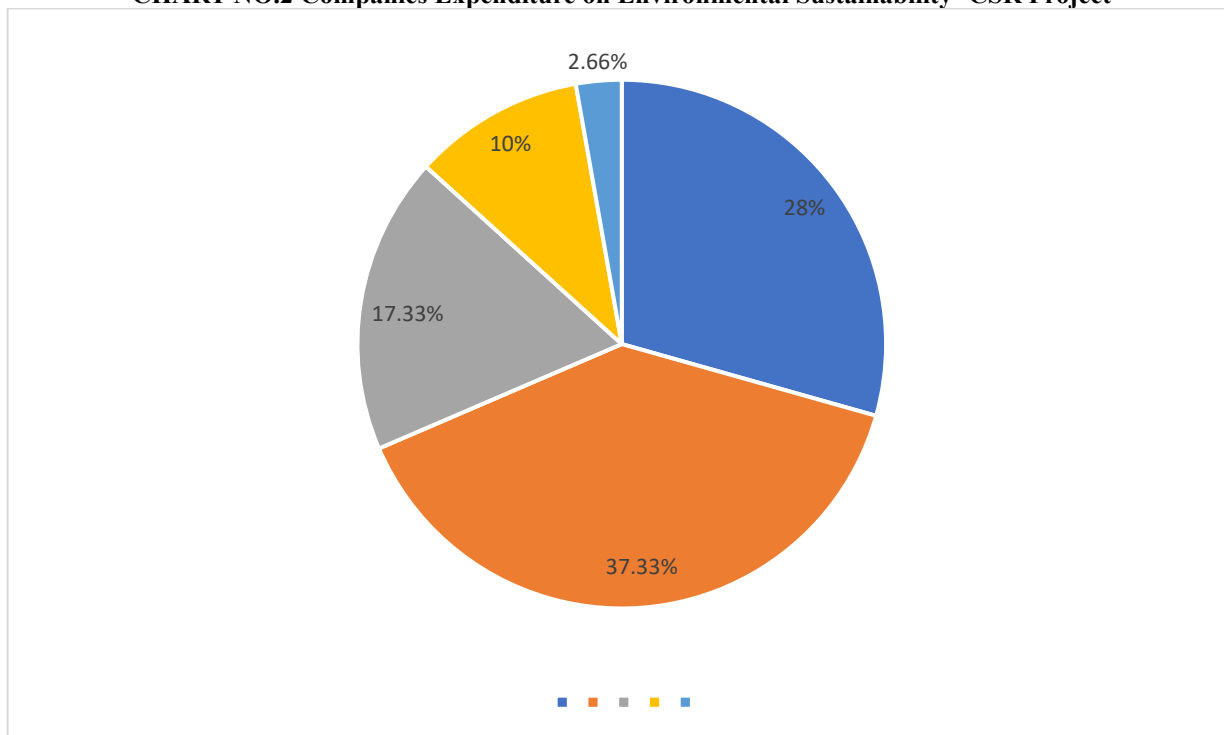
Represents the status of the number of environmental CSR projects by listed companies. Out of the 30 companies selected, most of the companies have undertaken either zero to one or two to five environmental initiatives. It is clear from their respective percentage figures which are 47% & 36% respectively. In the years 2018–19,2020-21 & 2021-2022 1 company each conducted more than 15 initiatives the maximum number of companies.11% of companies had undertaken five to seven environmental initiatives. On average, the majority of companies undertake either zero to one two, or five environmental conservation initiatives.

**Table No.2 Companies Expenditure on Environmental Sustainability -CSR Project**

year	0-1 crore	1-5 crore	5-10 crore	10-15 crore	15 crore and above	Total
2017-2018	2	6	12	8	2	30
2018-2019	4	7	11	6	2	30
2019-2020	19	10	1	0	0	30
2020-2021	13	17	0	0	0	30
2021-2022	11	16	2	1	0	30
Average no.of companies	9.8	11.2	5.2	3	.8	
Percentage	28 %	37.33 %	17.33 %	10 %	2.66 %	

Secondary data collected and compiled

**CHART NO.2 Companies Expenditure on Environmental Sustainability -CSR Project**



**Table no.2 Interpretation**

This table gives a brief idea about the CSR expenditure undertaken by the number of companies listed in India. As per Table 2, the majority of the companies are spending an average of 1-5 crore on environmental sustainability projects. 28 companies are spending more than `0-1 crore spending `20–40 crores and 17.3% of companies spending between 5-10 crore.10% of companies are spending `10-15 crores and only 2.6% of companies are spending 15 crores and above.

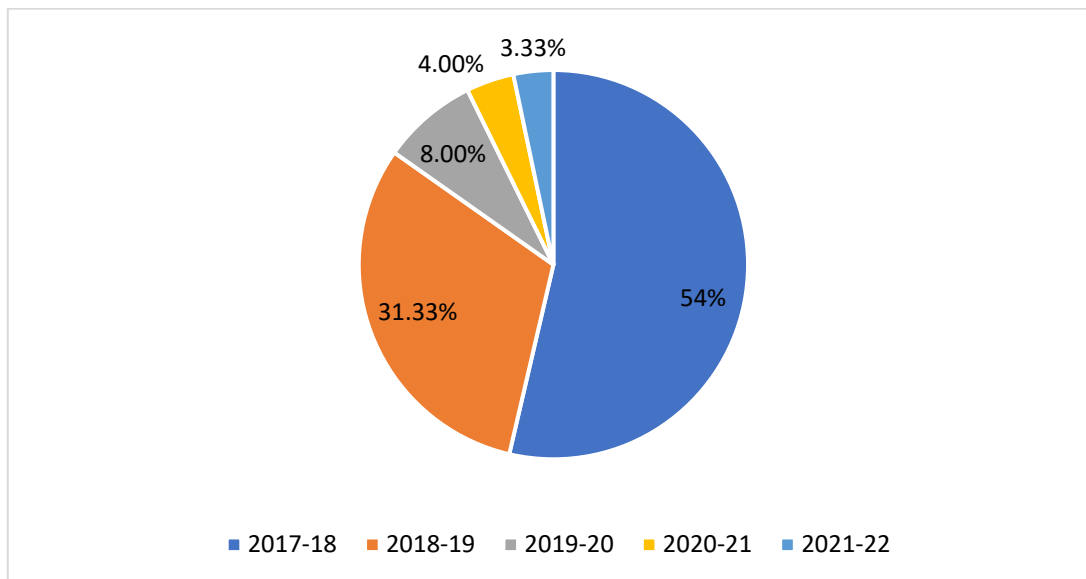
**Table No.3  
 Number of Awards and Recognitions for Sustainability**

Year	0-5	5-10	10-15	15-20	20 and more	Total
2017-2018	20	7	2	1	0	30
2018-2019	16	12	3	0	0	30
2019-2020	15	8	3	2	2	30
2020-2021	16	12	2	0	0	30
2021-2022	14	8	2	3	3	30
Average no. of Companies	16.2	9.4	2.4	1.2	1	
Percentage	54%	31.33%	8%	4%	3.33%	

Source-annual reports collected and compiled

**Chart No. 3**

**Number of awards and recognition for sustainability**



**Table no.3 Interpretation**

Exhibits the no. of awards they have bagged. So, the maximum number of companies has at least been awarded between zeros to five awards, followed by 31.33% of the companies that got 5 to 10 awards. Likewise, 8% of companies bagged ten to fifteen and 4% bagged fifteen to twenty awards, respectively. The rest of the companies (about 3.33%) were awarded more than twenty awards for their sustainability performance.

**DESCRIPTIVE STATISTICS**

Particulars	Variable 1	Variable 2	Variable 3
Number	30	30	30
Mean	1.7667	2.1267	1.7400
Std. Deviation	.84050	.72489	.91448
Minimum	1.00	1.00	1.00
Maximum	4.40	3.80	4.00
Skewness	1.230	.267	1.091
Kurtosis	1.766	-.537	.264

Source-SPSS-AMOS

**Interpretation**

This table represents the descriptive statistics of the various environmental sustainability performances of 3 variables of the 30 selected companies. Variable 1 with a mean score of 1.7667 indicates the number of environment sustainability projects. Variable 2 with a mean score of 2.1267 indicates that expenditure on environment sustainability projects. Similarly, the mean score is 1.7400 for variable 1, the companies have been awarded an average of two awards for their environment-sustainable performance at the national and international levels

## FINDINGS

1. The findings reveal that, among 30 selected listed companies, 47% undertook zero to one, and 36% took on two to five environmental CSR initiatives. In specific years (2018–19, 2020–21, 2021–2022), one company each conducted over 15 initiatives. Additionally, 11% engaged in five to seven initiatives. On average, companies predominantly focus on zero to one, two, or five environmental conservation initiatives.
2. The findings suggest that among listed companies in India, a majority allocate an average of 1-5 Crores for environmental sustainability projects. 17.3% of companies are investing 5-10 Crores, 10% of companies are allocating 10-15 Crores 2.6% of companies are spending 15 Crores and above. The concentration is highest in the 1-5 Crore range, emphasizing a focus on environmental sustainability.
3. Most companies (54%) received between zero to five awards for sustainability, with 31.33% earning 5 to 10 awards. Additionally, 8% and 4% received 10 to 15 and 15 to 20 awards, respectively. Only about 3.33% of companies were recognized with more than twenty sustainability awards.

## CONCLUSION

This study has delved into the sustainable reporting practices of the Indian corporate sector with a specific focus on listed companies. through a comprehensive exploration of literature, methodology, and analysis, several key insights have emerged, shedding light on the current state and potential avenues for improvement in sustainability reporting. From the study, it is found that 37.33 percent of companies are spending money on CSR projects. to guarantee a conflict-free environment for all parties involved, the Indian corporate sector should adopt environmentally safe practices. businesses that want to see long-term performance improvements must implement sustainable strategies. the current study is not without its limits. five years of the study have been completed, and more research may be needed to continue it. furthermore, future studies could potentially analyze the data by sector. The findings reveal that while there is a growing awareness and adoption of sustainable reporting practices among Indian listed companies, there remains considerable variability in the depth and breadth of disclosures. The examination of sustainability reports, annual reports, and other relevant documents highlighted both strengths and areas that warrant attention.

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