IJCRT.ORG ISSN : 2320-2882

INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)
An International Open Access, Peer-reviewed, Refereed Journal

Sustainability Reporting Practices in India: An Analysis of issues in current scenario

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Abstract: India has been an early adopter of sustainability reporting for listed entities. In 2012, the Business Responsibility Report (BRR) as released by the Securities and Exchange Board of India (SEBI) mandated listed entities to disclose their ESG performance. Sustainability is not just a feel-good theme. It is about the imperative of surviving in a world facing climate change, running out of resources, and social problems. This study objective is to study the evolution of sustainability reporting in India and analyse the sustainability reporting trends in India. The launch of the SDG India Index in 2018 provided the impetus for the localisation push, reaffirming States and UTs as key stakeholders in this transformative journey. The SDG India Index has been consistently improved over the years to provide a comprehensive and comparative analysis of progress on the goals. In 2025, sustainability reporting in India is transitioning from a compliance exercise to a strategic imperative, driven by stricter regulations, increased demand for transparency, and technological integration. The key trends are centered around mandatory and standardized reporting, enhanced data quality and assurance, and a focus on the entire value chain.

Key Words - Sustainability Reporting, India, Securities and Exchange Board of India, Sustainable Development, Business Responsibility and Sustainability Report.

Introduction: India has been an early adopter of sustainability reporting for listed entities. In 2012, the Business Responsibility Report (BRR) as released by the Securities and Exchange Board of India (SEBI) mandated listed entities to disclose their ESG performance. Expanding on this foundation, in May 2021, the SEBI introduced a transformative reporting requirement– the Business Responsibility and Sustainability Report (BRSR). The BRSR represents a significant improvement from the BRR, aiming to standardize disclosures and incorporate quantitative and qualitative ESG parameters. Notably, SEBI has updated the BRSR format to include the BRSR Core's new Key Performance Indicators (KPIs). Starting from the financial year 2022-23, SEBI mandated the top 1,000 listed entities (by market capitalization) to disclose in line with the updated BRSR format. Additionally, the SEBI introduced the requirement of Assurance on Sustainability Reporting. This marked a significant stride towards corporate transparency and accountability.

Sustainable development requires an integrated approach that takes into consideration environmental concerns along with economic development. In 1987, the United Nations Brundtland Commission defined sustainability as "meeting the needs of the present without compromising the ability of future generations to meet their own needs." Today, there are almost 140 developing countries in the world seeking ways of meeting their development needs, but with the increasing threat of climate change, concrete efforts must be made to ensure development today does not negatively affect future generations. Sustainability in business refers to a company's strategy and actions to reduce adverse environmental and social impacts resulting from business operations in a particular market. An organization's sustainability practices are typically analysed against environmental, social and governance (ESG) metrics. Sustainability in business has evolved from a mere idea discussed in meetings to a significant and transformative change in how companies operate. It is no longer exclusive to those who deeply care about the environment; it has become a crucial aspect of responsible business practices. Companies are thinking about how they operate to produce goods and services, what they do with waste they generate, and how they treat their employees. Companies are striving to strike a balance between profitability and environmental and social responsibility. Sustainability is not just a feel-good theme. It is about the imperative of surviving in a world facing climate change, running out of resources, and social problems.

Review of literature:

1. **Mahua Biswas (2016): -** Because it enables them to tie their long-term goals to corporate sustainability and social responsibility, businesses have adopted corporate sustainability reporting. Companies now prioritise preserving their reputation in the cutthroat industry over making money. Gaining higher confidence with workers, business partners, and government authorities is another benefit of corporate sustainability. The rise in the number of CSR and sustainability reports released by businesses throughout the world over time demonstrates how important businesses consider sustainability reporting to be in determining their company strategy and policy. In light of the foregoing, the current study intends to ascertain the level of corporate sustainability reporting in India in relation to the regulations set out by GRI.

2. **Ezhilarasi G. and K. C. Kabra (2017): -** Since good corporate governance guarantees that businesses operate in a fair, responsible, trustworthy, and transparent manner towards their stakeholders, this article empirically explores the influence of corporate governance qualities on businesses' decisions to publish environmental information. Board size, chief executive officer duality, local institutional ownership, and foreign institutional ownership were the corporate governance criteria considered in the study. A checklist of criteria based on the Global Reporting Initiative recommendations and Indian environmental laws is used to evaluate environmental disclosures. Individual disclosure ratings are calculated using content analysis of annual reports from 177 of India's most polluting corporations during a six-year period, from 2009–2010 to 2014–2015.

3. **Priyanka Aggarwal and Ajay Kumar Singh (2018): -** This study aims to comprehensively analyse the CSR and SR practises of Indian companies in terms of quantity and quality of disclosures and to look into variations in SR practises based on SR dimensions, industries, ownership structures, firm sizes, and profitability. Information is gathered from the annual reports, business responsibility reports (BRR), corporate social responsibility (CSR), and sustainability reports of 60 top-ranked Indian corporations. A thorough reporting index for sustainability is created. The method of content analysis is employed. Reliability amongst coders is established. The majority of Indian enterprises do not reveal 18 of the index's elements in total. Significantly less SR quantity is discovered than SR quality. Additionally, SR practises varies greatly depending on dimension/category, industry, and company size, but ownership structure has little impact on these differences

4. **Najul Laskar (2019): -** This study looks at how Indian and South Korean businesses' profitability and corporate sustainability reporting relate to one another. Based on the reporting format of the Global Reporting Initiatives, content analysis approach is used to calculate the disclosure score of sustainability performance. Over a six-year period (2010-2015), the study sample comprises of 26 listed non-financial enterprises from South Korea and 28 listed non-financial firms from India. Regression analysis is used to investigate the relationship between sustainability reporting/performance and company performance using the disclosure ratings. According to the regression results, there is a substantial and favourable connection for South Korean companies. However, the impact of sustainability performance is detrimental in the Indian setting. Furthermore, compared to India, South Korea is found to have a substantially higher relative effect of sustainability reporting.

5. **Mahendra Kumar Mishra (2020):-** elaborated that the sustainability reporting is still a voluntary but now a days it has become popular among large scale corporations, the reporting practices are now remain strictly voluntary, but it should be made mandatory as many governments have already made the SR mandatory. It enables organizations having different features like shapes and sizes, including public agencies and companies to measure, manage and publicly disclose the social, environmental and economic performance in a sustainable. No doubt, reporting practices is widely accepted, it is also observed that the activities of the corporate on society, stakeholders, its citizens and the environment has a considerable impact not only on present but also upon the future. Sustainability disclosure reports aims, and allows for improvement on, those issues which are closely related to a corporation's environmental and social impact and impact on company's financial performance

6. **Priyanka Nayak & Narayan Kayarkatte (2020):-** examined that the Sustainability reporting is becoming more prevalent, driven by a growing recognition that sustainability-related issues can materially affect a company's performance. In India, with the Companies Act 2013 making CSR mandatory in specified areas, more and more companies are undertaking sustainability and CSR initiatives. However, accounting and reporting of these activities are still at a nascent stage, with nearly 40 companies disclosing their sustainability performance. One such Indian company to report on CSR operations is Infosys. Infosys Ltd has proved to be the first IT firm in the globe to publish a sustainability report under the GRI (Global Reporting Initiative) G4 framework. This case study aims to explore the reporting methods followed by Infosys and to comprehend the effect it has on the synergy and development of the business. It studies the sustainability report of Infosys for 10 years and tries to understand the reporting policies and practices. Infosys has been one of the pioneers in sustainable development and reporting the same. Sustainability reports help not only to showcase the CSR activities but also serve as an effective medium for reaching nations sustainability goals.

Research Gap: The reviews of literature depict that the more study concentrated to ascertain the level of corporate sustainability reporting in India in relation to the regulations set out by GRI, individual disclosure ratings are calculated using content analysis of annual reports, a thorough reporting index for sustainability is creation, and explored the reporting methods followed by Infosys and to comprehend the effect it has on the synergy and development of the business. This study is intended to assess the current trends of sustainability reporting in Indian context.

Objectives of the study:-

1. To study the evolution of sustainability reporting in India.
2. To study analyse the sustainability reporting trends in India.

Evolution of ESG reporting in India and BRR:

Non-financial reporting has gained traction across the world as more and more companies have started becoming conscious about the adverse effects of their operations on the environment and climate change. The emphasis on nonfinancial reporting has prompted a reorientation of business models towards a more sustainable approach. Several institutions such as the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), and the Task Force on Climate-related Financial Disclosures (TCFD) had started working to form standardized reporting formats for non-financial disclosures by companies.

- ✓ **NVG – 2011:** The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business was released by the Ministry of Corporate Affairs (MCA) in July 2011, is essentially a set of nine principles that offer Indian businesses an understanding and approach to inculcate responsible business conduct.
- ✓ **India BRR – 2012:** After the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs (MCA) in 2011, the Securities and Exchange Board of India (SEBI) made it mandatory for the top listed companies to disclose about non-financial data pertaining to environmental and social responsibilities through Business Responsibility Report (BRR) that was in line with the principles of the NVGs. The requirement was applicable for top 100 listed entities based on market capitalisation

at BSE and NSE as on March 31, 2012, and this was to be done as part of the Annual Reports that they publish for the stakeholders.

- ✓ **CSR under Sec 135 of the Companies Act – 2013:** Section 135 of the Companies Act introduced in 2013, mandates companies to undertake Corporate Social Responsibility (CSR) initiatives with a clear preference for local communities and define rules concerning the governance and expenditure under CSR initiatives.
- ✓ **Agenda for Sustainable Development – 2015:** At the global level, the UN General Assembly adopted the 2030 Agenda for Sustainable Development in 2015. Through this agenda, it established the seventeen Sustainable Development Goals and review mechanisms for tracking targets using indicators.
- ✓ **India BRR – 2015:** SEBI increased the number of companies that were required to file for BRR, to the top 500 listed companies in India by market capitalization from FY 2015-2016 onwards.
- ✓ **National Guidelines on Responsible Business Conduct (NGRBC) – 2019:** The National Guidelines on Responsible Business Conduct (NGRBC) were released in 2019 as a revised form of the NVGs taking into account the national and international developments in the arena of sustainable business since 2011. These guidelines were intended to assist businesses to embrace the principle of responsible conduct going beyond the requirements of regulatory compliance.
- ✓ **India BRR – 2019:** SEBI mandated the top 1000 listed companies in the stock exchange by market capitalization to publish BRRs as a part of their annual report.
- ✓ **India BRSR – 2021:** In May 2021, SEBI introduced a new ESG reporting structure titled 'Business Responsibility and Sustainability Reporting' to make it mandatory for the top 1000 listed companies in the stock exchange (by market capitalisation), to report their sustainability performance from FY 2022 – 2023 onwards and maintain transparency with their key stakeholders.
- ✓ **India BRSR Core, 2023:** SEBI vide Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 had prescribed the Business Responsibility and Sustainability Report (BRSR) which was subsequently incorporated in the Master Circular No. SEBI/HO/CFD/ PoD2/CIR/P/2023/120 dated July 11, 2023. Based on the recommendations of the ESG Advisory Committee and pursuant to public consultation, the Board decided to introduce the BRSR Core for assurance by listed entities. The Board further decided to introduce disclosures and assurance for the value chain of listed entities, as per the BRSR Core. The provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") in this regard, have been amended vide Gazette notification no. SEBI/LAD-NRO/GN/2023/131 dated June 14, 2023. The BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators (KPIs) / metrics under 9 ESG attributes. Keeping in view the relevance to the Indian / Emerging market context, few new KPIs have been identified for assurance such as job creation in small towns, open-ness of business, gross wages paid to women etc. Further, for better global comparability intensity ratios based on revenue adjusted for Purchasing Power Parity (PPP) have been included.

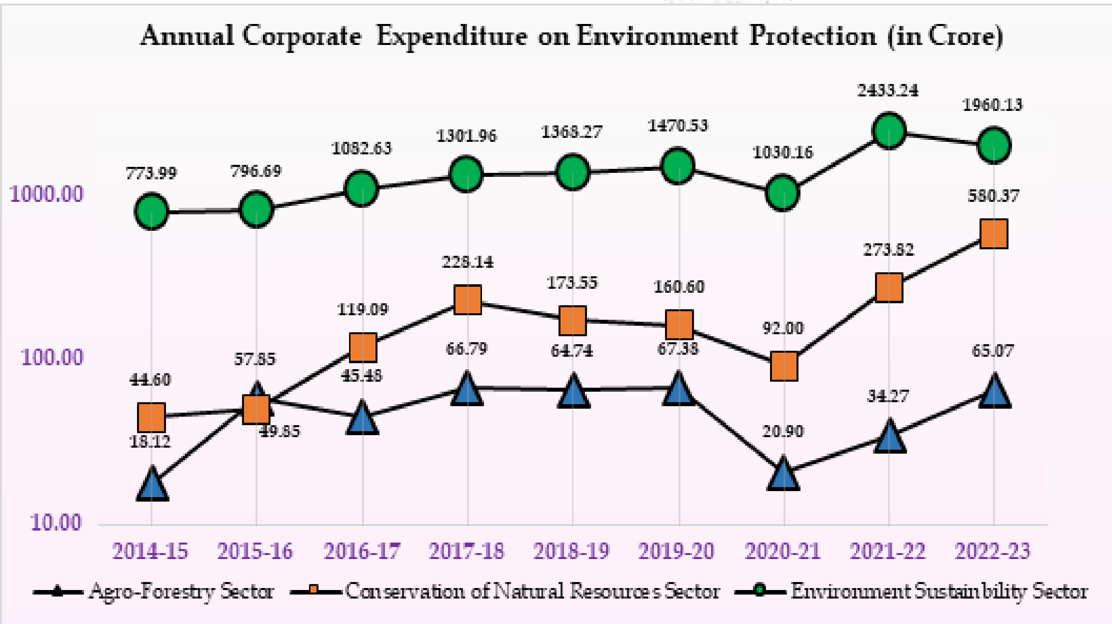
Sustainability reporting in India

In India, the Securities and Exchange Board of India (SEBI) mandates businesses to disclose sustainability- related metrics in their Business Responsibility and Sustainability Reporting (BRSR). This mandatory reporting has made ESG consider strategic priorities in business discussions. The BRSR has taken references from many global standards such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). In order to strengthen India's ESG ecosystem, the Indian Institute of Corporate Affairs (IICA), under the aegis of Ministry of Corporate Affairs (MCA) has also initiated the IICA Certified ESG Professional – Impact Leader Programme. This initiative will help build ESG leaders and regulatory expertise, allowing for better business conduct and reporting.

In 2025, sustainability reporting in India is transitioning from a compliance exercise to a strategic imperative, driven by stricter regulations, increased demand for transparency, and technological integration. The key trends are centred around mandatory and standardized reporting, enhanced data quality and assurance, and a focus on the entire value chain.

Sustainability Reporting Trends in India:-

- **Mandatory and Standardized Reporting:** The Securities and Exchange Board of India (SEBI) has made the Business Responsibility and Sustainability Reporting (BRSR) framework mandatory for the top 1,000 listed companies by market capitalization. This aligns India with global standards, such as those from the International Sustainability Standards Board (ISSB), and moves companies toward a more consistent, comparable form of disclosure.
- **External Assurance:** There is a significant rise in the demand for independent, third-party assurance of sustainability data to enhance credibility and combat greenwashing. The BRSR Core framework specifically mandates external assurance on a set of key performance indicators (KPIs) for the top companies.
- **Focus on Value Chain (Scope 3 Emissions):** Reporting requirements are expanding beyond a company's own operations to include indirect emissions and impacts across its entire supply chain. While value-chain reporting is compulsory for some in the coming years, many companies are already starting to quantify and disclose their Scope 3 emissions.
- **Leveraging Technology:** AI, big data, blockchain, and IoT sensors are playing a crucial role in streamlining data collection, analysis, and reporting. This shift to automated, digital-first reporting platforms ensures greater accuracy, efficiency, and the provision of machine-readable data (e.g., XBRL tagging) for investors and regulators.
- **Double Materiality:** Companies are increasingly adopting the principle of "double materiality," which requires reporting on both how sustainability issues affect the business (financial materiality) and how the business impacts society and the environment (impact materiality).
- **Nature and Biodiversity Focus:** Beyond climate change, there is a growing emphasis on nature-related risks and opportunities, including water stewardship, biodiversity loss, and circular economy adoption. Frameworks like the Taskforce on Nature-related Financial Disclosures (TNFD) are gaining traction.
- **Integration with Financial Reporting:** Sustainability disclosures are moving away from standalone documents to being integrated into annual financial reports, demonstrating how sustainability strategy is central to core business strategy and long-term value creation.
- **Increased Scrutiny of Greenwashing:** Regulators like the Advertising Standards Council of India (ASCI) are setting clearer rules on sustainable product claims to prevent misleading disclosures, forcing companies to back up their claims with genuine practices and measurable data.



• Significant progress in goals on eliminating poverty, providing decent work, economic growth, climate action and life on land.

• Targeted interventions by the Government such as Pradhan Mantri Awas Yojana, Ujjwala, Swachh Bharat, Jan Dhan, Ayushman Bharat-PMJAY, Ayushman Arogya Mandir, PM-Mudra Yojana, Saubhgaya, Start-up India etc. had impact and led to rapid improvement.

• All States have shown an improvement in overall score

• Overall SDG score for the country is 71 for 2023-24, significant improvement from 66 in 2020-21 and 57 in 2018 (Baseline report).

• Scores for States range from 57 to 79 in 2023-24, marking a substantial improvement from the year 2018 range of 42 to 69.

• Significant progress in Goals 1 (No Poverty), 8 (Decent Work and Economic Growth), 13 (Climate Action) and 15 (Life on Land)

• Goal 13 (Climate Action) records highest increase in score from 54 in 2020-21 to 67 in 2023-24 followed by Goal 1 (No Poverty) from 60 to 72

• 32 States and UTs in the front-runner category with 10 new entrants -Arunachal Pradesh, Assam, Chhattisgarh, Madhya Pradesh, Manipur, Odisha, Rajasthan, Uttar Pradesh, West Bengal, and Dadra and Nagar Haveli and Daman and Diu.

Between 2018 and 2023-24, fastest moving States are Uttar Pradesh (increase in score by 25), followed by J&K (21), Uttarakhand (19), Sikkim (18), Haryana (17), Assam, Tripura and Punjab (16 each), Madhya Pradesh and Odisha (15 each).

SDG India Index 2023-24 measures and tracks national progress of all States and UTs on 113 indicators aligned to the Ministry of Statistics and Programme Implementation's (MoSPI) National Indicator Framework (NIF). The SDG India Index computes goal-wise scores on the 16 SDGs for each State and UT. Overall State and UT scores or Composite Scores are generated from goal-wise scores to measure the aggregate performance of the sub-national unit based on its performance across the 16 SDGs. These scores range between 0–100, and if a State/UT achieves a score of 100, it signifies it has achieved the targets. The higher the score of a State/UT, the greater the distance covered to the target.

India's commitment to the SDGs since adopting the 2030 Agenda on Sustainable Development is reflected in concerted efforts on SDG localisation spearheaded by NITI Aayog, which works closely with States and UTs. NITI Aayog has the twin mandate to oversee the adoption and monitoring of the SDGs in the country and promote competitive and cooperative federalism among States and UTs. Together with States and UTs, NITI Aayog has focused on the institutionalisation of the SDGs – not only to look at sustainable development as a standalone or parallel framework, but also to make them an integral part of national and subnational thinking about development through institutional ownership, collaborative competition, capacity development, and following a whole-of- society approach.

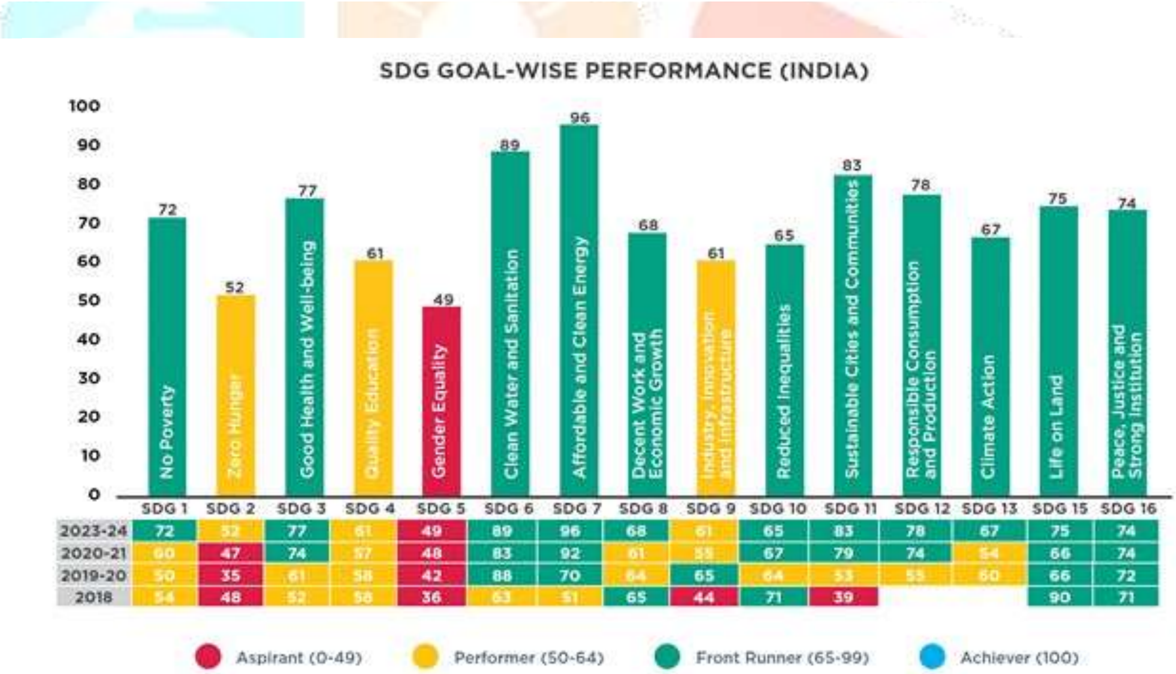
The launch of the SDG India Index in 2018 provided the impetus for the localization push, reaffirming States and UTs as key stakeholders in this transformative journey. The SDG India Index has been consistently improved over the years to provide a comprehensive and comparative analysis of progress on the goals. By fostering collaborative competition, the Index not only highlights achievements, but also encourages States and UTs to learn from each other to close outcome-based gaps. Grounded in the globally accepted SDSN methodology, the development of the Index followed extensive consultations with the States and UTs (the primary stakeholders); MoSPI; Union Ministries; and UN agencies. The Index represents the articulation of the comprehensive nature of the Global Goals under the 2030 Agenda while being attuned to the national priorities.

Key highlights and results from the fourth edition of the SDG India Index:

- The composite score for India improved from 57 in 2018 to 66 in 2020-21 to further to 71 in 2023-24

- India has taken significant strides in accelerating progress on the SDGs between the 2020-21 and 2023-24 editions of the Index. Noteworthy advancements have been observed in Goals 1 (No Poverty), 8 (Decent Work and Economic Growth), 13 (Climate Action). These are now in the 'Front Runner' category (a score between 65–99).

- Among these, Goal 13 (Climate Action) has shown the most substantial improvement, with its score increasing from 54 to 67. Goal 1 (No Poverty) follows closely, with its score rising significantly from 60 to 72. The progress underscores the effects of the focused programmatic interventions and schemes of the Union and State Governments in improving the lives of citizens.



	SDG 1	SDG 2	SDG 3	SDG 4	SDG 5	SDG 6	SDG 7	SDG 8	SDG 9	SDG 10	SDG 11	SDG 12	SDG 13	SDG 15	SDG 16
2023-24	72	52	77	61	49	89	96	68	61	65	83	78	67	75	74
2020-21	60	47	74	57	48	83	92	61	55	67	79	74	54	66	74
2019-20	50	35	61	58	42	88	70	64	65	64	53	55	60	66	72
2018	54	48	52	58	36	63	51	65	44	71	39			90	71

- Since 2018, India has witnessed substantial progress in several key SDGs. Significant progress has been made in Goals 1 (No Poverty), 3 (Good Health and Well-being), 6 (Clean Water and Sanitation), 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure) and 11 (Sustainable Cities and Communities).

- Government's focus on ensuring food & nutrition security, health, education, electrification, housing for all, sanitation, clean cooking fuel & energy has significantly contributed to the improvements.

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