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SUSTAINABILITY REPORTING PRACTICES OF CONSTITUENT COMPANIES OF NIFTY 50 AND NIFTY ENERGY INDICES: A COMPARATIVE STUDY

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Abstract:

Sustainability reporting has been widely used to refer to a 'public report by companies to provide internal and external stakeholders with a picture of the corporate position and activities on economic, environmental and social dimensions' (WBCSD, 2002). In academic circles, sustainability reporting is often referred to as social reporting, corporate social and environmental reporting (CSER), or environmental reporting, all of which share the same goal and definition: to document an organization's commitment to its stakeholders (Stiller and Daub, 2007).

Purpose-Sustainability reporting is a relatively new concept in India. The purpose of the present study was to investigate the various sustainability initiatives taken by the companies included in Nifty Energy and the top 10 constituents of Nifty 50. For this purpose, the study explored various dimensions (environment, governance, social and human rights, and labour relations) of Nifty Energy and the top 10 constituents of Nifty 50. The study also analyzed whether the constituents of Nifty Energy and the top 10 constituents of Nifty 50 follow the global reporting initiative (GRI). The study is also intended to make a comparison of the sustainability reporting of Nifty Energy and the top 10 constituents of Nifty 50 to find which among them and the company contributes the most to achieving ESG goals.

Design/ Methodology-The current study made an effort to examine how the existing scholarly literature dealt with the idea of sustainability reporting. The data was collected from sustainability reports, annual reports, integrated annual reports, and business responsibility reports of Nifty

Energy and the top 10 constituents of Nifty 50. The content analysis of the reports and the independent sample t-test were the techniques used for the data analysis.

Findings-The result of the study indicated that Nifty energy companies are the most active disseminators across all four dimensions of sustainability reporting. When various dimensions of sustainability reports were studied, Tata power co. Ltd had the most compliance. It had a compliance rate of 44 indicators out of 49. It was also found that the global reporting initiative was followed by all the companies included in Nifty Energy and the top constituents of Nifty 50 except HDFC Ltd. The study also gives valuable suggestions to companies, governments, and policymakers on how to improve the present situation and encourage more companies to take a sustainable path.

Keywords- Sustainability, Sustainability reporting, Global Reporting Initiative, Nifty Energy, Nifty 50.

Paper Type- Analytical Research Paper.

INTRODUCTION

The industrial revolution transformed the world economy and is an important event in world history. Even though it resulted in unprecedented economic growth and technological advancements, many non-financial factors such as the environment, society, and others suffered due to the quest for growth and progress. The pursuit of economic expansion has led to issues like social inequality and environmental deterioration. In order to advance development across three fundamental pillars-social inclusiveness, environmental sustainability, and economic prosperity-sustainable development advocates for a more balanced approach to growth. A report titled "Our Common Future" was released in response to the plea for a more sustainable method of development (also known as the Brundtland Report). The United Nations Commission on Environment and Development published a report in 1987 that introduced the idea of sustainable development as well as its guiding principles. The ambitious Sustainable Development Goals (SDGs), a 15-year plan that addresses 17 global and interconnected issues, including reducing poverty and hunger, putting an end to discrimination, and preventing the long-term effects of climate change, were adopted by the United Nations and its 193 member countries in 2015.

Stakeholders of a business organisation pursuing different economic, environmental, and social interests determine the success of an organization (Buchholz and Rosenthal, 2005, Laplume et al., 2008). On their way to growth and expansion, many businesses understood the need to promote the idea of sustainability and raise their social impact, which in turn serves to improve stakeholder confidence. Sustainability reporting has evolved into a marketing tool to win public acceptance, even if its activities do not reflect such practices (Jahdi and Acikdilli 2009). Environmental, social, and governance (ESG) goals and a company's progress toward them are disclosed and communicated through sustainability reporting. Higher consumer confidence, increased creativity,

and even better risk management are all advantages of sustainability reporting for businesses. In general, a company's corporate sustainability report will contain text outlining its (i)sustainability vision and objectives (Adams, 2017; Gray, 2006); (ii) company policies, management systems, and stakeholder relations (Daub, 2007; Lozano, 2020); and (iii) performance in the context of sustainability, including pertinent key performance indicators (KPIs) (GRI, 2016; Roca & Searcy, 2012). A number of standards have arisen that allow a wide range of stakeholders to review and compare sustainability reports. The Global Reporting Initiative Standards are the framework that is most extensively used. It has connections to corporate social responsibility (CSR) reporting and other non-financial reporting strategies like triple bottom line reporting.

Indian businesses are recognizing and embracing sustainability due to the rising environmental knowledge and concern in line with global trends. Companies throughout the nation have begun to concentrate on problems like pollution, unethical labour practices, energy, and climate change. According to studies, businesses in India are starting to see the benefits of using sustainable and responsible practices in their operations as they move toward a sustainable future (GIZ, 2012; Planken, Sahu, & Nickerson, 2010).

According to the GRI, 83% of the 250 largest firms in the world publish sustainability reports that adhere to GRI criteria, and 93% of those corporations use sustainability reports to reveal their sustainability performance (GRI, 2020). Among the top 250 global corporations, companies in the energy and mining sectors report their sustainability efforts at the highest rate (KPMG, 2017). With a nominal Gross Domestic Product (GDP) growth rate of 12% in 2019, India has overtaken other major economies as the one that is growing at the quickest rate (IBEF, 2020). The primary factors credited with the swift economic expansion of the Indian economy are the energy and mining sectors (Mehrotra & Gupta, 2020). Around 17% of the GDP is contributed by these two industries (IBEF, 2020). Energy businesses were chosen for the study because they are at the center of the conversation about sustainable development. Although they exist and play an inevitable function, they are frequently held responsible for a number of societal and environmental issues (Mahmood & Orazalin, 2017). As sustainability challenges gain more attention, how these businesses respond to these difficulties will have a significant impact on their capacity to survive and develop (Bohling et al., 2019; Laplume et al., 2008). These corporations must now embrace social development and environmental protection strategies as a result (Boiral & Henri, 2017). Research has been active in the areas of examining sustainability performance and the disclosure policies of environmentally sensitive sectors.

The introduction of sustainability reporting is viewed favourably by society at large. But even so, releasing the same is fraught with problems and challenges. Participation in sustainability reporting is optional or voluntary, so an organization is not liable to a third party if it does not submit a report. Businesses that abide by the requirements for sustainability reporting may be at a disadvantage compared to businesses that do not due to the additional costs they will incur in maintaining these reports. Additionally, firms that practice sustainability may introduce bias

through selective disclosure. There is no legal basis for fining an entity for non-compliance with sustainable reporting. Again, a company is free to develop its own framework for reporting on sustainability, but there are no consequences if the information is inaccurate.

Sustainability is now recognised by many investors as a crucial long-term goal that will aid in developing successful company models. Approximately 80% of senior executives believe that sustainability is essential to achieving a competitive advantage in the market today, according to a report from the United Nations Global Compact (UNGO). In the corporate sector, sustainability reporting is a crucial component to enhancing a business's environmental initiatives and its relationships with investors and customers, in keeping with stakeholders' demands for accountability and transparency.

Investors are interested in the companies that are putting an emphasis on their employees, suppliers, and the communities in which they operate, and the Covid-19 pandemic has made sustainability disclosures more crucial than ever (BSR 20). The energy sector is considered to be one of those sectors that could negatively affect the environment. This paper aims to study the sustainability initiatives of Nifty Energy companies and their successful implementation. This paper's other objective is to find the company that contributes the most to ESG goals. The objectives were formulated to address the following research questions. (i) Which companies among the top 10 Nifty 50 constituents and those included in Nifty Energy practice sustainability reporting? (ii) Which companies comply with and disclose their environmental, governance, social, human rights, and labour relations dimensions in their reports? (iii) Which companies in Nifty Energy and the top constituents of the Nifty 50 follow the global reporting initiative? (iv) Who among Nifty Energy and the top 10 constituents of the Nifty 50 contributes the most to ESG goals? (v) Whether there is any significant difference between the sustainability reporting by the top 10 Nifty 50 and the constituent companies of Nifty energy? Based on the objectives the following hypotheses were developed.

H1: There is a significant difference between the sustainability reporting practices of the two groups considered. (Nifty energy and the top 10 constituents of Nifty50).

H2: There is a significant difference between the environmental dimension of Nifty Energy and the top 10 constituents of Nifty 50.

H3: There is a significant difference between the governance dimension of Nifty Energy and the top 10 constituents of Nifty 50.

H4: There is a significant difference between the social dimension of Nifty Energy and the top 10 constituents of Nifty 50.

H5: There is a significant difference between the human rights and labour relations dimension of Nifty Energy and the top 10 constituents of Nifty 50.

H6: There is a significant difference between the global reporting initiative of Nifty Energy and the top 10 constituents of Nifty 50.

REVIEW OF LITERATURE

Since the 1990s, the study on sustainability reporting has gained momentum. It has been intensively investigated recently by both corporate and academicians. Reporting on sustainability practices is done all over the world but there are significant differences in their development. According to WBCSD (2002), Sustainability reporting refers to a 'public report by companies to provide internal and external stakeholders with a picture of the corporate position and activities on economic, environmental and social dimensions. In the academic discourse, sustainability reporting is synonymously known as social reporting, corporate social and environmental reporting (CSER), or environmental reporting, which refer to the same intention and meaning, that is, to report corporate responsibility towards their stakeholders (Stiller and Daub, 2007).

Theories of Sustainability reporting

There are many social contract theories that justify corporate social and environmental reporting (Kwaghfan, 2015). They include the legitimacy theory, the stakeholder theory, and the political economy theory. The stakeholder theory is the most commonly referenced theory in studies on voluntary disclosure and sustainability reporting. A theoretical framework for investigating the factors that influence corporate sustainability reporting is provided by stakeholder theory (Lourenço and Branco 2013). The stakeholders make a variety of social, economic, and environmental demands to help the company reach its strategic goals. Sustainability reporting is the method through which businesses respond to these requirements (Buallay and Al-Ajmi 2019).

Suchman (1995) considers that "Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions". According to legitimacy theory, there is a social contract between businesses and society that obligates them to uphold implicit social norms and values (Arena et al., 2018). According to Deegan et al. (2002), businesses should take into account the aspirations of all societal members, not only their investors. Business prospects could be hampered and the company's reputation could suffer if the expectations of the many stakeholders are not met (Dare, 2016). This is because a company's socially responsible image is presented through the reporting of its environmental and social performance, which helps to validate its place in society (Ching & Gerab, 2017).

Sustainability reporting and financial performance

Two important themes emerge from the studies discussed so far. Authors have mixed opinions as to how reporting on sustainability contributes to financial performance. It has proved to be the most effective channel for companies to engage in dialogue with all the stakeholders and legitimize their business activities (Kent & Monem, 2008). Hussain (2015) studied the relationship between sustainability reporting and the financial performance of 100 firms. The study concluded that social and environmental dimensions of sustainability have a significantly positive impact on a firm's financial performance.

Many studies consistently indicate that sustainability reporting and financial performance are related (Preston and O'bannon 1997; Uwuigbe and Egbide 2012; Buallay et al. 2019). This outcome suggests that firms with better performance in terms of revenue generation are able to perform socially and disclose (report) more on sustainability issues. Steurer, Langer, Konrad, and Martinuzzi (2005) argued that sustainability disclosure focuses on environmental, social, ethical, and economic dimensions of corporate performance. By drawing on the concept of sustainability reporting, Margolis and Walsh (2003)) were able to show that providing social information about the firm enhanced its financial performance.

CONCEPTUAL FRAMEWORK FOR THE STUDY

Sustainability reporting is a means of fostering business and governmental ties while attaining a globally sustainable economy. Different parties, including labour, financial institutions, society, etc., are reliant on the choices made by business organisations and the government. Maintaining those stakeholders' trust without jeopardising the company's progress is crucial. Utilizing data based on current and upcoming problems, this knowledge also aids in understanding risks and opportunities. Stakeholders are crucial in identifying non-financial risks and opportunities for the organisation. Therefore, it is important to continue to uphold transparency and trust between corporate and government entities while also making better decisions. When the effect of the business activities leaves more impact on the sustainability of the environment, it becomes the obligation of such businesses to be more transparent. The variables identified in the study are sustainability reporting, environmental exploitation, and the category of the index. This study attempted to explore how the companies report on sustainability and whether it has a bearing on the category of the index that it belongs to or the intensity of the impact it creates on the environment.

METHODOLOGY OF THE STUDY

Sample selection and data collection

The present study is focused on the extent of sustainability reporting practices undertaken by Indian companies. The sample used in the study includes companies that are part of Nifty energy and the top 10 constituents of Nifty 50. The data for Sustainability reporting disclosure of

companies for the financial year 2020-2021 have been obtained from sustainability reports, integrated annual reports, Business responsibility reports, and annual reports.

Method of Data Analysis and Interpretation

The study has been conducted with the help of secondary data analysis. From the Nifty 50, only the top 10 constituents by market capitalization have been included in the study. Sustainability reports, integrated annual reports, and annual reports of Nifty Energy and the Top 10 constituents of Nifty 50 have been taken into consideration. Indicators of various dimensions (ie; environment, governance, social and human rights, and labour dimension) of sustainability reporting have been studied and analyzed by going through the reports of companies included in Nifty energy and the top 10 constituents of Nifty 50. Content analysis was used for extracting the data required for the study "Content analysis is a research method that provides a systematic and objective means to make valid inferences from verbal, visual, or written data in order to describe and quantify specific phenomena" (Downe-Wambolt,1992). This study uses content analysis because it is seen to be appropriate for studies involving vast amounts of text, like the examination of corporate annual reports (Mouton, 2001). As it was difficult to study all the companies included in Nifty 50, sampling was used to draw the units of the study.

DATA ANALYSIS AND INTERPRETATION

NIFTY ENERGY

Table 1: The various dimension of sustainability reporting by the constituent companies of Nifty Energy and Nifty (Top 10 companies)

SL NO	Indicators of various dimension of sustainability reporting	Percentage of companies N=10	Percentage of companies N=10
I	**Environment dimension**		
1	Environment policy	100	100
2	Effluents and waste	100	100
3	Re-use & re-cycle	90	90
4	Reduction in energy consumption	100	90
5	Adoption and diffusion of eco-friendly technology	100	50

6	Initiatives for clean energy	100	80
7	Reduction in water consumption	100	90
8	Reduction in carbon emission	100	100
9	Adoption of environment management system	100	50
10	Impact on bio diversity	100	40
11	Environmental impact of product & services	90	40
12	Environment risk assessment framework	100	80
13	Reduction in GHG	100	90
14	Suppliers environmental impact assessment	50	30
15	Environmental impacts of transportation	20	10
II	**GOVERNANCE DIMENSION**		
1	Anti-bribery/anti corruption policy	100	90
2	Sustainability and CSR policy	100	100
3	Ethical code of conduct	100	100
4	Sustainability /business responsibility committee or structure	100	100
5	Reporting mechanism of unlawful behaviour	70	80
6	Role of the highest body in environmental &social impact assessments	90	100
7	Appointment of executive-level sustainability positions	50	70
III	**SOCIAL DIMENSION**		
1	Community development program	100	100

2	Training & development program	90	50
3	Women empowerment program	60	80
4	Education & awareness programs	100	100
5	Healthcare programs	90	100
6	Charity and sponsorships	70	20
7	Anti - competitive behaviour	60	30
8	Policy or association for advancement of public good	50	40
9	Grievance mechanism for impacts on society	70	40
10	Suppliers Assessment for impacts on society	40	20
11	Assessment of product impacts on customer health & safety	70	50
12	Indigenous people rights policy	80	10
IV	**HUMAN RIGHTS AND LABOUR RELATIONS DIMENSION**		
1	Policy for forced & child labour	100	80
2	Human rights grievance mechanism	100	60
3	Labour relations grievance mechanism	40	10
4	Occupational health and safety (OHS)	100	100
5	Freedom of association, recognition and collective bargaining	70	50
6	Employees turnover rate	70	20
7	Prevention of sexual harassment	80	90
8	Non-discrimination	100	90

9	Diversity in workforce	100	90
10	Retention rate and return to work after parental leave	60	30
11	Employee associations recognized by the management	60	40
12	Benefits provided to temporary /casual employees	20	0
13	Equal remuneration to men & women	100	50
14	Suppliers assessment for labour practices	50	30
15	Suppliers human rights assessment	80	40

Source: Dimensions of corporate sustainability reporting adapted from Kumar K. Emerging phenomenon of corporate sustainability reporting: Evidence from top 100 NSE listed companies in India. J Public Affairs. 2022;22: e2368. **https://doi.org/10.1002/pa.2368**

1. **Comparison of Environment dimension indicators of Nifty Energy and the top 10 constituents of Nifty 50**

Interpretation

The environment dimension has been studied to know the percentage of companies in Nifty energy and the top 10 constituents of Nifty 50 that comply with the indicators listed in this dimension. It was clear from the study that Nifty Energy and the top 10 Nifty 50 constituents, which were both indicated with a 100 percent, had adequately tracked and reported on the environment policies, effluents and waste, and reduction in carbon emission. Both Nifty Energy and the top 10 constituents of the Nifty 50 had a percentage of 90 on the re-use and recycling indication of the environment dimension. The reduction in energy consumption indicator of Nifty energy had exhibited a percentage of 100 whereas it had been 90 for the top 10 constituents of Nifty 50. The adoption and diffusion of eco-friendly technology indicator of Nifty energy show a 100 percent whereas it had been 50 for the top 10 constituents of Nifty 50. Initiatives for clean energy receive a perfect score from Nifty Energy. On the other side, when it comes to disclosing clean energy initiatives, the top 10 Nifty 50 constituents only show 80%. Reduction in water consumption, adoption of the environmental management system, and impact on biodiversity had indicated a percentage of 100 for Nifty energy. At the same time, the percentage put forward by the top 10 constituents of Nifty 50 was 90,50, and 40 respectively. Environmental impact of products and services, Environment risk assessment framework, Suppliers environmental impact assessment had shown a clear indication of 90,100 and 50 percentage for Nifty energy whereas the top 10

constituents of Nifty 50 had shown a percentage of 40,80 and 30 for the respective indicators. For GHG emissions and environmental impacts of transportation , Nifty Energy displayed percentages of 100 and 20, whereas the top 10 constituents displayed percentages of 90 and 10 for the same parameters.

2. **Comparison of Governance dimension indicator of Nifty Energy and the top 10 constituents of Nifty 50**

Interpretation

When the governance dimension of Nifty energy and the top 10 constituents of Nifty 50 had been studied, the following conclusions had been made. The ethical code of conduct, sustainability and CSR policy, and sustainability/business responsibility committee or structure indicators of governance dimension had revealed that both Nifty Energy and the top 10 constituents of Nifty 50 had been duly following it and had reported the same. Nifty Energy shows that 100 percent of companies follow an anti-bribery/anti-corruption policy, whereas it had been 90 percent for the top constituents of Nifty 50 concerning the same indicator. Nifty Energy reveals that 100% of businesses have anti-bribery/anti-corruption policies, compared to 90% of the top Nifty 50 corporations for the same indication. A percentage of 70, 90, and 50, respectively, was indicated by Nifty Energy for the reporting mechanism of unlawful behavior, the role of the highest body in environmental and social impact assessments, and the appointment of executive level sustainability positions. On the other hand, the top 10 Nifty 50 constituents showed the following percentages for the same indicators: 80, 100, and 70.

3. **Comparison of Social dimension indicator of Nifty Energy and the top 10 constituents of Nifty 50**

Interpretation

After analyzing the various social dimension indicators of Nifty Energy and the top 10 constituents of Nifty 50, the following conclusions were noted. The health care program, training, and development program women empowerment program taken up by Nifty Energy companies displayed a percentage of 90,90, and 60 respectively. The top 10 constituents of Nifty 50 had revealed a percentage of 100,50 and 80 for the reporting of the same indicators. The community development programs and education and awareness programs of both Nifty Energy and the top constituents of Nifty 50 had shown a 100 percent. This indicates that all the companies in Nifty energy and the top 10 constituents of Nifty 50 had been complying and had disclosed the same in their sustainability reports. The percentage of companies that had included charity and sponsorship, anti-competitive behaviour, and policy or association for the advancement of public good in their reports in Nifty energy were 70,60, and 50 respectively. At the same time, the percentage of companies that reported the same indicators in the top 10 constituents of Nifty 50 were 20,30, and 40 respectively. Nifty Energy showed a percentage of 70,40 and 70 for the

indicators such as grievance mechanism for impacts on society, suppliers assessment for impacts on society, and assessment of product impacts on customer health & safety. This shows the percentage of companies abiding by the above-mentioned indicators. On the other hand, the percentage was 40,20, and 50 for the top 10 constituents of Nifty 50 concerning the same indicator. The final indicator of the social dimension ie; the indigenous people's rights policy exhibited a percentage of 80 for Nifty Energy and 10 for the top 10 constituents of Nifty 50.

4. **Comparison of human rights and labour relations dimension indicator of Nifty Energy and the top 10 constituents of Nifty 50**

Interpretation

The human rights and labour relations dimensions of Nifty Energy and the top 10 constituents of Nifty 50 were studied and the following inferences were made.

The occupational health and safety indicator for both Nifty Energy and the top 10 Nifty 50 constituents, both displays a 100%, indicating that every company in the sample discloses the data related to this specific indication.. The policy for forced and child labour, human rights grievance mechanism, and labour relations grievance mechanism of Nifty energy revealed a percentage of 100, 100, and 40, respectively. For Nifty Energy, a percentage of 70,70, and 80 were noted for indicators such as freedom of association, recognition and collective bargaining, employee turnover rate, and prevention of sexual harassment. The percentages for the top 10 Nifty 50 constituents for disclosing the same indicator were 50,20, and 90, respectively. For Nifty Energy, the corresponding percentages for non-discrimination, diversity in the workforce, retention rate, and return to work after paternal leave were 100, 100, and 60, respectively. On the other side, the top 10 constituents of Nifty 50 exhibit a percentage of 90, 90, and 30 for reporting the same indicator. Nifty Energy shows a percentage of 60,20 and 100 respectively for indicators such as employee associations recognized by the management, benefits provided to temporary /casual employees, and equal remuneration to men and women. A percentage of 40,0 and 50 had been displayed by the top constituents of Nifty 50 concerning the same indicators. Nifty Energy is rated as having a percentage of 50 and 80 for the final indicators of this particular dimension, i.e., suppliers' assessment of labour practises and suppliers' assessment of human rights. The top 10 Nifty 50 constituents, however, show a percentage of 30 and 40, respectively.

5. **Comparison of Global reporting initiative of Nifty Energy and the top 10 constituents of Nifty 50**

Interpretation

The GRI indicator of Nifty energy shows a percentage of 100. The top 10 Nifty 50 constituents, on the other hand, display a percentage of 90.

Table 2: The results of sustainability reporting difference between Nifty Energy and the top 10 constituents of Nifty 50

	Nifty Energy		**The top 10 constituents of Nifty 50**		**Independent t-test**		
	Mean	SD	Mean	SD	t	Df	p-value
Environment	0.90	0.064788	0.69333	0.151372	3.969	18	0.002
Governance	0.87143	0.125085	0.91429	0.120468	-0.780	18	0.445
Social	0.73939	0.138645	0.53333	0.153156	3.154	18	0.005
Human rights & labour relations	0.75333	0.117799	0.52000	0.165701	3.629	18	0.002
GRI	1.00	0.000	0.90	0.316	1.00	18	0.343

Decision Criteria

If p-value is less than 0.05, we reject null hypothesis at 5% level of significance.

If p-value is greater than 0.05, we accept null hypothesis at 5% level of significance.

As can be seen in Table 1, there was no statistically significant difference in environment dimension of sustainability reporting between Nifty energy companies (M = 0.90, SD = 0.064788) and the top 10 constituent of Nifty 50 companies in India (M = 0.69333, SD = 0.151372), t(18) = 3.969, $p < 0.05$.

Results also indicated that there is statistically significant difference in governance dimension disclosure of Nifty energy companies (M = 0.87143, SD = 0.125085) and the top 10 constituents of Nifty 50 companies in India (M = 0.91429, SD = 0.120468), t(18) = -0.780, $p > 0.05$. Social dimension disclosure of Nifty energy companies (M = 0.73939, SD = 0.138645) has no statistically significant difference from the top 10 constituents of Nifty 50 companies (M = 0.53333, SD = 0.153156), t (18) = 3.154, p < 0 .05). It was also found that there is no significant difference in human rights & labour relations dimension disclosure of Nifty energy companies (M = 0.75333, SD = 0.117799) and the top 10 constituents of Nifty 50 companies in India (M = 0.52000, SD =

0.165701), t(18) = 3.629, $p < 0.05$). And finally while looking into GRI, we can find significant difference between Nifty energy companies (M=1, SD=0) and the top 10 constituents of Nifty 50 companies (M = 0.90, SD=0.316), t(18)= 1, $p > 0.05$.From the analysis, we could conclude that there is significant difference between the sustainability reporting practices of Nifty Energy and the top 10 constituents of Nifty 50.

NIFTY ENERGY COMPANIES AND THE TOP 10 CONSTITUENTS OF NIFTY 50 CONTRIBUTION TOWARDS ESG GOALS

One of the objectives of this research was to find the company that contributes the most to ESG goals. This study primarily focused on examining the dimensions of environmental, governance, social and human rights, and labour relations. The total number of indicators studied under the environment dimension was 15. It could be inferred from the study that Power Grid Corporation of India Ltd (15) and Bharat Petroleum Corporation Ltd (15) from Nifty Energy is following and reporting on all the indicators of the environmental dimension of sustainability reporting. The total number of indicators studied under the governance dimension was 7. The study came to the conclusion that Adani Transmission Ltd(7), NTPC Ltd(7), Tata power co. Ltd (7) and GAIL(India) Ltd(7) from Nifty Energy and TCS(7), HDFC bank(7), Infosys(7), Hindustan Unilever(7), SBI(7) and Adani Transmission Ltd from the top constituents of Nifty 50 adhere to all the indicators of governance dimension and report the same in their sustainability reports. The total number of indicators studied under the social dimension was 12. From the analysis, it was found that the Indian Oil Corporation of Nifty Energy complies with 11 of the 12 indicators of the social dimension. The total number of indicators studied under the human rights and labour relations dimension was 15. When compared to other companies, Tata Power Company from Nifty Energy adheres to 14 of 15 indicators of the human rights and labour relations dimension. The total number of indicators studied under various dimensions taken together was 49. When different dimensions of sustainability reporting were examined, Tata Power Co. Ltd. stood out from the competition with a compliance rate of 44 indicators out of 49. This shows that Tata Power continuously made an effort to support ESG goals to the best of its ability. The global reporting initiative is followed by all the companies included in Nifty Energy and the top constituents of Nifty 50 except HDFC Ltd.

The study makes it quite evident that the companies which have an adverse effect on the environment contribute the most to ESG goals. All the companies in Nifty Energy and the top 10 constituents of Nifty 50 diligently followed and reported on some of the indicators, such as environmental policy, effluents and waste, and the reduction in carbon emission related to the environmental dimension. The environmental impact of transportation and suppliers' environmental impact assessment were the least disclosed indicator by both Nifty Energy and the top 10 constituents of Nifty 50. The companies that performed the best in the environmental dimension were Power Grid Corporation of India Ltd and Bharat Petroleum Corporation Ltd. Their sustainability report discloses all the 15 indicators included in the environmental dimension of the

study. A detailed analysis of governance dimension revealed that the ethical code of conduct, sustainability and CSR policy, sustainability/business responsibility committee or structure indicators were duly adhered by all the companies in Nifty Energy and the top 10 constituents of Nifty 50. Most companies have full compliance with the governance dimension of sustainability reporting. Adani Transmission Ltd, NTPC Ltd, Tata Power Ltd, and GAIL(India) Ltd of Nifty Energy and TCS, HDFC bank, Infosys, Hindustan Unilever, and SBI of the top 10 constituents of Nifty 50 conform with all the indicators specified in the governance dimension. When the social dimension has been analyzed, community development programs and education and awareness programs have been duly followed and reported by both Nifty Energy and the top 10 constituents of the Nifty 50. The suppliers' assessment for impacts on society had been the least tracked indicator in this particular dimension. Indian Oil Corporation of Nifty Energy performs better in the social dimension of sustainability reporting. The final dimension explored in the study was the Human rights and labour relations dimension. The occupational health and safety indicator was reported by all the companies in Nifty Energy and the top constituents of Nifty 50. The benefits provided to temporary/casual employees had not been given much relevance in sustainability reports. Tata Power Company, Ltd. outperformed its competitors in this dimension. When various dimensions of sustainability reports were studied, Tata power co. Ltd had the most compliance. It shows their commitment to achieving ESG goals. The study also found that all the companies except HDFC Ltd follow the Global reporting initiative. When foreign companies are accelerating to achieve the net zero carbon emission tag, most of the Indian companies are still lagging behind. We must act decisively to combat climate change, make the best use of our resources, and pursue a sustainable path of growth and development to reach greater heights.

IMPLICATIONS OF THE STUDY

This section state how these research findings have contributed to policies, theories, and/or practices.

Managerial Implications

The top 10 constituents of Nifty 50 should try to adhere to and incorporate more indicators relating to sustainability reporting. They should also consider taking more initiatives to promote sustainable development. Indicators such as environmental impacts of transportation, suppliers' assessment for impacts on society and benefits provided to temporary or casual employees are excluded in most sustainability reports of companies. They should give due consideration and include these indicators in their reports. The government and policymakers should consider providing more incentives to companies, which would encourage companies to adopt a sustainable path. The study found that the top 10 Nifty 50 constituents are still lagging behind the Nifty Energy companies in terms of focus and contribution to ESG goals. Indicators such as environmental impacts of transportation, suppliers' assessment for impacts on society and benefits provided to temporary or casual employees are excluded in most sustainability reports of companies. They should give due consideration and include these indicators in their reports.

Policy Implications

The government and policymakers should consider providing more incentives to companies that have more compliance rates across various dimensions. This will act as a reward system and will encourage them to take a more sustainable path. On the other hand, they could also impose a Sustainability tax on companies that fail to adhere to sustainability indicators. In addition, they could enforce a general framework for companies which helps to enhance transparency, consistency, and uniformity.

Social Implications

The dimensions like the health care program, training, and development program, and women empowerment program received lesser attention from the companies. Similarly, the final indicator of the social dimension ie; the indigenous people's rights policy is also not adequately considered by the companies. These findings provide a solid evidence base for the need for the betterment of these practices by the companies and proper reporting of that.

Scope for future research

As a result of these investigations, suggestions were identified for future research. Further research on this topic shall throw light on more dimensions of sustainability reporting. Studies on sustainability reporting by service industries can also be chosen for future research. Case studies comparing international practices and Indian practices in sustainability reporting may also be considered.

CONCLUSION

Businesses are using sustainability reporting increasingly as a potential tool for company strategy and policy (Ong and Djajadikerta 2018). It is crucial for providing the resources needed to carry out sustainable development goals, spur investment in sustainable business practices, and finance the sustainability outcomes that the world seeks (Durand, Paugam, and Stolowy 2019). Reporting on sustainability includes all facets of business ethics, social responsibility, environmental awareness, and corporate governance. Sustainability reporting practices are considered to be a relatively new concept in India. The implementation of mandated CSR standards under the Companies Act of 2013, as well as disclosure revisions in 2015, it has attracted the attention of many businesses. India-based companies' sustainability reporting is still mostly underexplored (Kumar & Prakash, 2019b). The current study offers useful insights into sustainability reporting practices undertaken by Nifty Energy and the top 10 constituents of Nifty 50. The research aims to explore the environment, governance,social, human rights, and labour relation dimensions of Nifty Energy and the top 10 constituents of Nifty 50. The present study reveals that Nifty energy companies are the most active disseminators across all four dimensions of sustainability reporting.

Declarations-

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