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SUSTAINABILITY REPORTING

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Abstract— Because of the rising awareness that sustainability-related concerns may substantially impair a company's performance, sustainability reporting is becoming more common. This awareness is driving the trend. Since the Companies Act of 2013 made CSR essential in some sectors, an increasing number of businesses in India are committing to CSR and sustainability activities. However, accounting for and reporting on these efforts are still in its infancy, with fewer than forty businesses now revealing their performance in the area of sustainability. Infosys is one example of an Indian corporation that has reported on its CSR initiatives. In the history of the information technology industry, Infosys Ltd. has the distinction of being the first company in the world to produce a sustainability report using the G4 reporting methodology developed by the Global Reporting Initiative. The purpose of this case study is to investigate the reporting procedures that are used by Infosys and to get an understanding of the impact such procedures have on the cohesiveness and growth of the company. Over the course of ten years, it analyses the sustainability report that Infosys publishes and makes an effort to comprehend the reporting rules and procedures. One of the companies that was an early pioneer in sustainable development and reporting on that progress is Infosys. Not only do sustainability reports assist in showcasing CSR initiatives, but they also serve as an effective medium for achieving the nation's sustainability objective.

Keywords: Social, Sustainability Reporting, Education, Countries, Developing Countries, Business strategies

Introduction

Business strategies evolve as companies develop, with the majority of modern corporations adopting sustainability as a central tenet of their operations. One analysis concludes that the rules improve the quality of sustainability reporting and disclosure. Increasing numbers of nations are now requiring ESG data to be made public, either via laws and regulations or as a condition of listing on stock markets. Only 125 enterprises in India published sustainability information in 2014, thus the practice is still in its infancy. (Toke & Kal Pande, 2022) Industries are demonstrating an increasing awareness towards adopting sustainability disclosures, thanks in large part to the new rules connected to responsibility reporting. Indian businesses are being pushed to improve their sustainability and non-financial disclosures by the introduction of NVG on Social, Environmental, and Economic Responsibilities and SEBI legislation addressing BRR. When compared to worldwide sustainability driving elements including economic concerns, innovation, employee engagement, and cost savings, research shows that boosting the brand and ethical considerations are the primary motivator for Indian organizations to disclose sustainability. By publishing their pro-sustainability efforts, firms may get advantages such as stakeholder involvement, more transparency, more balanced evaluation, additional investments, etc. Increasing public knowledge of their community service may also help them stand out from the competition. (Pachanga, 2020)

Objective

The research aimed to fulfill the following objectives:

- To study what exactly does it mean to sustainability reporting
- Contextual theory underlying India s sustainability reporting practices

Methodology

Having strong reporting standards that can be applied in a global economy where the operational activities and reporting responsibilities of companies transcend national borders is necessary to assure the quality of sustainability reporting and facilitate the efficient creation of comparable reports. Key international initiatives on sustainability reporting have been developed and implemented by a number of international organisations, including the United Nations ("UN"), regional organisations, such as the European Union ("EU"), stock exchanges, and independent organizations, such as the Global Reporting Initiative ("GRI"). Many of these endeavours are national policies and tools that borrow concepts from CSR reporting systems at the international or corporate level. References to the GRI Standards can be found in government or market instruments in dozens of countries, such as the preamble of the EU Directive on disclosure of non-financial and diversity information. These references are usually accompanied by references to the UN Global Compact, the OECD Guidelines for Multinational Enterprises, and other normative or management standards.

What exactly does it mean to SUSTAINABILITY REPORTING

It is well knowledge that various stakeholders have varying requirements for the dissemination of information. Stakeholders in the financial system insist on being held accountable for how resources are used. Stakeholders from the social sector are concerned with the quality of the product, its contribution to society, and the diversity and inclusion of its human resources; stakeholders from the legal and political sectors may demand disclosure of environmental information, compliance with a variety of laws, the creation of new jobs, training and development opportunities, etc. It's possible that stakeholders on a global scale are searching for well-established and well-governed disclosure rules. A simple sharing of economic information via yearly reports is insufficient. (Schmalleger & Wagner) As a result, the idea of sustainability reporting was conceived with the purpose of ensuring the complete, open disclosure of all critical information pertaining to the economic, social, and environmental performance components. The communication and participation of stakeholders is significantly facilitated by the use of sustainability reporting. It makes it easier for the company to have confidence in the consistency and commitment of its stakeholders. (Poplin & Jain, 2012) The design, quality, amount, name, features, and information that is presented in sustainability reports varies around the world; nonetheless, these reports have been used as the most effective communication tool available to businesses in the 21st century. Stakeholders are becoming more worried about the responsibility and accountability of corporations as a direct result of the proliferation of corporate frauds and scandals. The vast majority of big firms have developed some kind of voluntary disclosure with regard to their commitments in the areas of community participation and environmental protection. Reporting on a company's operations from a social, economic, and environmental perspective using the "triple bottom line" provides a framework for doing so. In the 1970s, countries like the United States and Western Europe first began disclosing information on their environmental and social performance. The environment disclosures and sustainable development began gaining prominence with the global earth summit in 1992 and the Kyoto agreement in 1997, both of which were significantly improved in the Paris Agreement in 2015. In the 20th century, corporate sustainability practices and reporting of the same gained impetus, with the United Nations Global Compact calling on corporations to participate in the achievement of sustainable development objectives. (Lin, 2022)

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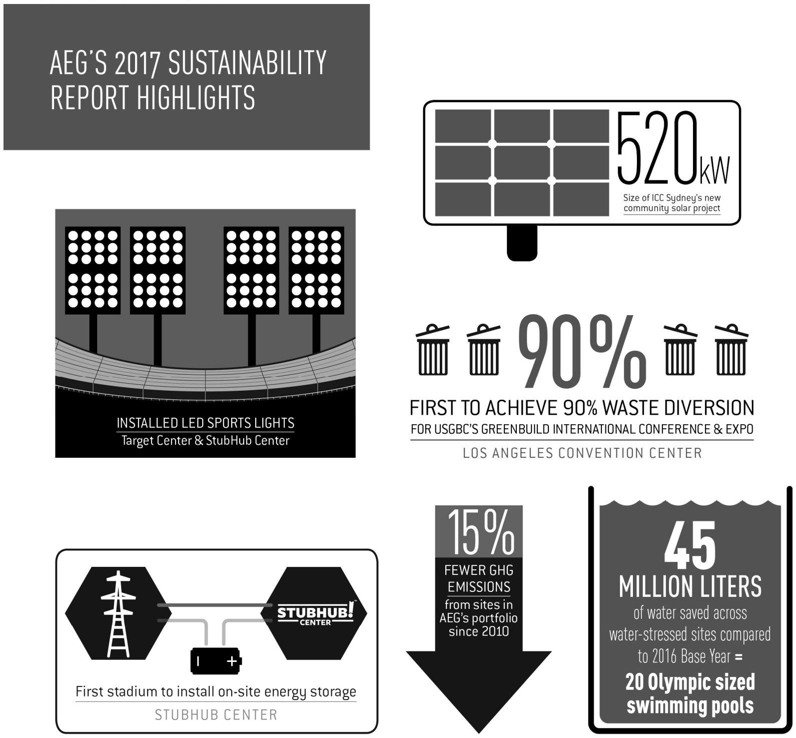

FIGURE 1. SUSTAINABILITY REPORTING

CONTEXTUAL THEORY UNDERLYING INDIA'S SUSTAINABILITY REPORTING PRACTISES

In terms of nominal gross domestic product, India ranks fifth among all countries. The sheer size of the nation and its current rate of economic expansion pose a threat to its long-term viability. Degradation of the environment, pollution, food security, land scarcity, biodiversity, and other related issues are now of universal concern. Companies of all sizes in India are pitching in to address social and environmental problems, joining the efforts of people and the government. (Mahboub, 2018) Large corporations are required under the CSR Act of 2013 to allocate resources towards corporate social responsibility. India's landmark 2013 CSR law under its Companies Act was the first such piece of legislation in the world. The Green Financing Policy is also being initiated by RBI. KPMG found that India is now the leading CSR reporting nation in Asia. With the United Nations Global Compact (UNGC) in 2001, leading Indian companies began issuing sustainability reports, marking the beginning of sustainability reporting (SR) in India. The United Nations' 2030 programmed demands massive effort from both governments and businesses in order to achieve its 17 Sustainable Development Goals and 169 interconnected goals. National Voluntary Guidelines on Social, Economic, and Environmental Responsibility were released in 2011 by the Ministry of Corporate Affairs, Government of India. The Securities and Exchange Board of India (SEBI) has made it mandatory for the 500 largest listed firms in India to release Business Responsibility Reports (BRR) beginning in 2017. (Bu allay, 2022) Eight out of ten international asset managers were familiar with BRR and deemed SR and BRR to be useful sources for investing according to research done by kinetics in 2017. Many Sustainability and ESG indexes have been launched by India's major stock exchanges, encouraging corporations to advance their own sustainability initiatives. Companies in India are making strides towards more responsible reporting in response to new regulations and the rising expectations of international investors. Principles and standards for sustainability reporting promote a sustainable business environment by incorporating long-term thinking into management practices. Lack of awareness, no financial motivations, and no meaningful influence on cost and returns are the next biggest obstacles to sustainability reporting in India, after the robustly growing reporting requirements and structure. There is not yet a refined method of assessment available to us. CSR practices in Asian nations also vary greatly, therefore there is no standard against which to evaluate them. Few sustainability programmed really contribute to the company's overarching goals. According to the study's findings on sustainability reports from Indian businesses, environmental considerations were prioritized above financial ones. Most Indian businesses follow the Global Reporting Initiative (GRI) and the National Voluntary Guidelines (NVG) when it comes reporting their social, economic, and environmental impacts. In India, just 68 out of 72,1719 registered enterprises have created sustainability reports. Sustainability reports from Indian enterprises should be more detailed and informative. (Tirpitz, 2017) In 2008, research shows that few Indian IT firms released dedicated sustainability reports, whereas the vast majority reported community development initiatives via annual reports and websites. Though fewer Indian IT firms are reporting sustainability, a recent survey found that those who did so met international and global benchmarks. More Indian IT firms have adopted the GRI standard than any other MNC.

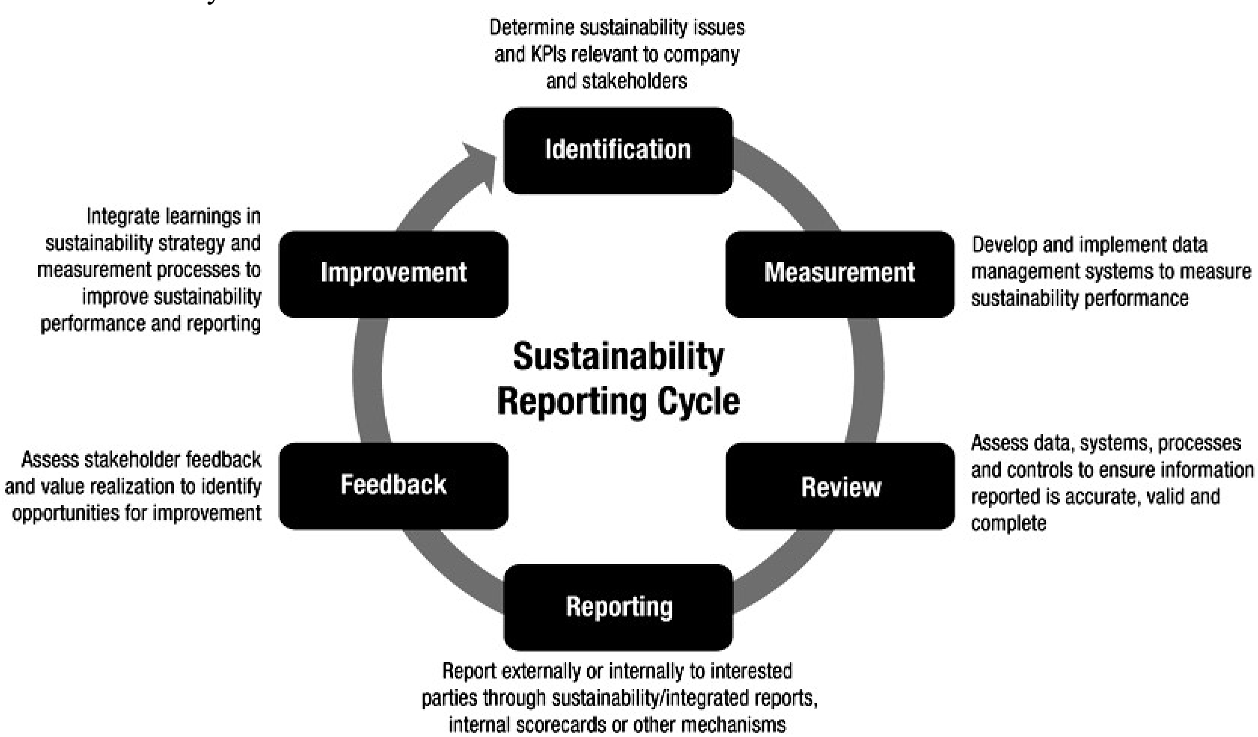

FIGURE 2: - SUSTAINABILITY REPORTING PRACTISES

CONCLUSION

Researchers have shown that as businesses realize the value of being transparent about social and environmental performance, they increase their ESG (environment, social, and governance) disclosures. These sustainability reports alleviate stakeholder anxiety and, in turn, boost an organization's reputation. Corporate sustainability reporting has the potential to be both a public relations and economic development instrument. Technology has increased the awareness of global trends among investors and corporate information consumers. As a result, sustainable reports provide light on the company's efforts towards long-term viability. Sustainability reporting in India has seen rapid development and transformation in recent years. According to Futures cape s 2019 CSR and Sustainability rating, Infosys is in second place. Infosys reports using the Global Reporting Initiative (GRI) standards, as well as the National Voluntary Guidelines and the United Nations Sustainable Development Goals (SDGs). The reporting of ESG (Environment, Social, and Governance) information is crucial to the company since many foreign and local institutional investors now investigate this data alongside the financial data. Many other companies in corporate India may learn from Infosys's practice and structure in reporting sustainability. A researcher has accurately pointed out that since India is so vast and varied, a single study would be insufficient. Instead, contextual studies tailored to regions or industries would provide the most value. The perspective of stakeholders is not taken into account in this study since it is confined to and based on research findings and reports released by the organization itself. To sum up, it's important to note that accounting guarantees openness, allowing stakeholders to have access to the information they need to make informed decisions. However, the accounting and management systems referenced in these sustainability reports remain undefined. More than just a financial instrument, sustainability reports are now portrayals of an organization's social impact. Sustainability reporting provides enough opportunity for accounting scholars to advance the field and make valuable contributions to the economy. Additional research based on the findings of this study might be conducted to establish and strengthen accounting's ties to sustainability reporting standards and frameworks.

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