



A STUDY ON THE IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS BY LISTED COMPANIES OF INDIA

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Abstract

In 2017, the United Nations (UN) member countries embraced the 2030 agenda for Sustainable Development as a guiding framework. The implementation of the SDGs can solely be routed through the government and corporations of these member states. To cater to this development, in 2021, Business Responsibility and Sustainability Report (BRSR) was established. This report, which primarily focuses on non-financial information, is obligatory for the leading (by market capitalization) one thousand listed companies from FY23. This paper employs a sample of 178 BRSR reports of listed companies for FY22 and attempts at quantifying and analysing the reporting of SDGs by these companies. The report is divided into three sections and includes the nine core tenets outlined by the National Guidelines on Responsible Business Conduct (NGRBC). Qualitative research work has been conducted where recurring sustainability themes conveyed through the reports have been captured using computer coding and analyzed. The study reveals that certain SDGs are focused upon more as compared to the others. Additionally, the study, provides a detailed description of the extent of mapping charted for each of the SDGs by these companies. The work determines that the listed companies in India have prioritized SDG targets in their businesses. They have also begun measuring, analyzing and reporting these targets. However, as identified by the study, there is further scope for scaling-up this reporting, integration and implementation of SDGs.

Keywords: United Nations, Sustainable Development Goals, Business Responsibility & Sustainability Report, Non-financial Reporting.

INTRODUCTION

Sustainable development is important because it promotes commercial growth, social advancement, and environmental wellbeing without compromising the needs of upcoming generations. It identifies the interrelation of the triple bottom line and intends to create a world where people can live healthy and fulfilling lives while preserving the planet's resources for future generations. It is vital for catering to the universal issues like the widening gap between rich and poor, persistent poverty and environmental threats.

In 2017, United Nations (UN) member countries embraced the 2030 agenda for Sustainable Development as a guiding framework. This includes the adoption of the seventeen sustainable development goals (SDGs). The government and corporations of these member states are solely responsible for implementing the SDGs. Policy experts and scholars concur that compulsory reporting on non-financial aspects needs to be re-evaluated to enhance the SDGs' impact (Pizzi et al., 2022). This article focuses on exploring how the listed companies in India have incorporated these goals since India is a imperative member state of the UN.

In 2009, the Ministry of Corporate Affairs (MCA) announced the National Voluntary Guidelines (NVGs) for responsible business conduct. Subsequently, in 2012, the top one hundred quoted companies based on the market capitalization were instructed to present a Business Responsibility Report (BRR) along with their annual report, by the Securities and Exchange Board of India (SEBI). As eco-friendly practices, green initiatives and climate



change concerns gain worldwide attention, sustainability reporting is gaining momentum. To address this trend, BRR was revised as Business Responsibility and Sustainability Report (BRSR). Starting from FY 2023, this reporting, which mainly focuses on non-financial information, is obligatory for the top one thousand publicly traded companies (based on the market capitalization). Based on the guidelines, the BRSR must include three segments: General Disclosures, Management and Process Disclosures, and Principle-wise Disclosures.

The first section pertains to fundamental details at the company level, while the second section deals with governance and policy issues. The third section is composed of nine principles that concentrate on specific domains. The disclosures made in this section fall under two groups: leadership indicators and essential indicators. The former are compulsory, whereas the latter are optional.

LITERATURE REVIEW AND RESEARCH GAP

Theoretical Background

In 2015, the UN General Assembly set a global roadmap for sustainability with the adoption of 17 SDGs and 169 targets. The purpose of these SDGs is to deal with the most pressing environmental, social and economic challenges facing the world. These seventeen SDGs are intended to guide government policies, private sector investments, and civil society action towards a regenerative and inclusive future for all. Each target of the various goals has specific indicators to measure its progress. There are 231 unique indicators as given by the global indicator framework.

The intention set for the first goal is to reduce inequality by eradicating multi-faceted poverty world-wide. The objectives are measured through various indicators such as the percentage of people under the poverty line, disaster economic loss, and government spending on essential services. The second goal focusses at achieving a well-nourished future by promoting eco-friendly farming. The pointers capture the various aspects of food insecurity, production, and resource management.

The third goal thrives to safeguard physical and mental well-being for everyone, everywhere. It aims at strengthening the readiness for large-scale health threats, building resilience and global health security. The fourth goal aims at empowering minds and unlock quality education for everyone and at all stages of life. It focusses on bridging the education gap and cultivating a culture of learning through equitable education and upgraded facilities. Additionally, the goal seeks to enhance the educational opportunities in developing countries through increased scholarships and improved teacher quality.

The fifth goal is planned to foster empowerment of women and girls and is aimed at closing the gender gap. It promotes the use of technology to achieve these objectives and strengthen the policies that would ensure level playing field for women. The sixth goal would secure access to uncontaminated water and hygiene for everyone. The goal promotes community involvement for sustainable water management, and it encompasses providing healthy ecosystems for water and sanitation.

The seventh goal targets energy for all that is affordable, dependable and generated in an eco-friendly manner. It emphasises on global collaboration for increasing the use of renewable sources and advancing energy efficiency for a sustainable future. The eighth goal aspires to achieve economic well-being, inclusivity and decent work for everyone. Its targets include sustaining economic growth, achieving higher productivity, promoting development-oriented policies and providing further aid to developing counties for trade.



The ninth goal thrives to lay a strong foundation for a resilient infrastructure, inclusive industry and constant innovation for the future. This is to be achieved through bridging the digital divide, investing in quality infrastructure and empowering communities to foster sustainable industries. The tenth goal seeks to create a more level playing field by fostering equal opportunities, special support for developing countries, and financial inclusion for all.

The eleventh goal concentrates on creating safe, inclusive and adaptable cities. The sub-goals comprise of safeguarding the availability of adequate housing and basic services, improving public transport, protecting natural and cultural heritage, reducing disaster risks, improving waste management and air quality and bridging the gap between urban and rural areas. The twelfth goal would confirm less wastage of resources and their smarter use, tackle food waste, manage chemicals safely and achieve circular economy.

The thirteenth goal intends to tackle climate crisis and mitigate climate risk. The targets include building a more resilient future through national climate policies and stronger planning. Additionally, better protection must be provided to especially the most vulnerable communities. The fourteenth goal encompasses protecting our oceans and seas for a healthy planet. It strives for a thriving future and for managing the marine resources wisely. Its objectives include reducing pollution, protecting ecosystems, safeguarding our seas and responsible fishing for a sustainable future.

The fifteenth goal aims to restoring nature, protect landscapes, manage forests wisely and safeguard biodiversity. The goal will be achieved through sustainable management practices that will include protecting and using natural resources, conserving threatened species and ensuring a just allocation of the benefits derived from genetic resources. The sixteenth goal of the proposes to build a world rooted in peace and justice. It promotes peaceful societies, builds effective, accountable, and inclusive institutions and provides equal opportunity for justice. And the last goal, the seventeenth one, seeks to invest in partnerships, technology, and capacity for sustainable development. It suggests reinvigorating global partnerships to unlock finance, technology, and expertise for sustainable development.

Empirical Background

According to Laskar (2018), there is a high level of awareness about sustainability reporting in developed markets, but in emerging economies, such practices are still in their early stages. Mathivanan P. and Kasilingam R (2020) explore Indian companies' response to sustainability reporting requirements, which are either voluntary or mandated. Kumar K. et al (2021) investigated how companies in environmentally sensitive industries in India disclose sustainability information. They found that larger, more valuable firms with dedicated sustainability reports tend to be more transparent about their environmental practices. Similar findings were also reported by Goel P. (2018), Roy p. and Tanna H. (2021) and Ramakrishnan P. et al (2021). Whereas Kumar K. and Prakash A. (2019) and Oregon et all (2023) chose to study whether the Indian banking sector and electric car automakers are increasingly using sustainability reports to disclose their environmental and social impact. Ibáñez-Forés et al. (2023) recommended a comprehensive framework for evaluating sustainability impact.

A study (GRI, 2022) conducted by the Global Reporting Initiative investigated the sustainability disclosures of 209 GRI-compliant companies across 49 countries. The findings show that while 83% of the companies expressed their support for the SDGs, only 50% of them established specific and quantifiable targets towards achieving the goals. Additionally, the companies were found to have made more significant contributions towards SDGs 8, 13, and 12.



Being a new effort towards sustainable development and building a bridge to a more just and sustainable world, a lot remains to be explored. Majority of the investigation work is associated to developed nations. Therefore, as observed in the reviewed literature, the study of mapping the qualitative reporting done by companies with the SDGs announced by the UN has not been carried out for Indian companies. Thus, this paper aims at understanding the inclusion of sustainability development goals by Indian listed companies and provides a detailed description of the extent of mapping followed for each of the SDGs by these companies.

Research Objectives

The study tries to establish-

- i. whether the Indian companies follow qualitative reporting on environmental, social and governance factors in their reporting
- ii. which sustainable development goals are focused upon more as compared to the others
- iii. a detailed description of the extent of mapping charted for each of the SDGs by these companies

RESEARCH METHODOLOGY

This research takes a unique approach by focusing on the Business Responsibility and Sustainability Reporting (BRSR) reports of 178 listed companies in India for the financial year 2022 (FY22). It's important because these are the only companies that have voluntarily published their BRSR reports as it was not mandatory then. The research employs qualitative research methods, which involve analysing textual data. The study has used programming to identify recurring themes related to sustainability within the BRSR reports. This allowed us to go beyond simply checking for the presence of keywords and delve deeper into the actual sustainability practices the companies are discussing.

By focusing on FY22, a period when BRSR reporting was not mandatory, the research specifically examines the practices of companies that are frontrunners in sustainability reporting. This can provide valuable insights into the motivations and approaches of companies that prioritize sustainability even before regulations required it.

The core objective is to determine whether these voluntary BRSR reports from FY22 mention activities and disclosures that align with the SDGs. This suggests a hypothesis that companies which take sustainability seriously might already be aligning their practices with the SDGs, even when formal reporting was not mandated. The outcomes of this study offer valuable learnings into the early adopters of sustainability reporting in India. It reveals the types of sustainability themes these companies prioritize and whether they were already aligning their actions with the SDGs. These insights can be helpful for regulators and particularly investors amongst other stakeholders in comprehending the corporate sustainability landscape in India.

DATA ANALYSIS, FINDINGS AND DISCUSSION

The collected BRSR report of 178 listed, Indian companies were analysed and the following data was extracted based on relevant keywords for each of the goals. Figure 1 presents a comprehensive mapping that details which Sustainable Development Goals (SDGs) are being addressed in the Business Responsibility and Sustainability Reports (BRSR) of Indian companies. The figure explains which goal was reported the greatest number of times by these

companies. It also describes which keyword was used the maximum number of times under each of the goals.

Figure 1: Mapping of SDGs and Reporting by Indian Companies

Goal No.	Goal description	Total count	Maximum Count of a Keyword	Maximum Used Keyword
SDG 10	Reduced Inequality	22,800	9,658	Business processes, business ethics
SDG 12	Responsible Consumption and Production	14,827	3,408	Clean and sustainable energy routes
SDG 7	Affordable and Clean Energy	12,121	4,038	Clean energy
SDG 16	Peace and Justice Strong Institutions	11,110	2,374	Equal opportunity policy
SDG 9	Industry, Innovation and Infrastructure	10,909	4,038	Energy management and consumption
SDG 1	No Poverty	8,095	2,356	Environment protection
SDG 6	Clean Water and Sanitation	7,884	5,926	Waste disposal
SDG 5	Gender Equality	6,625	2,374	Human rights
SDG 13	Climate Action	6,563	2,316	Emissions
SDG 3	Good Health and Well-being	5,906	4,272	Occupational Health and Safety Standards
SDG 8	Decent Work and Economic Growth	5,808	1,228	Insurance
SDG 11	Sustainable Cities and Communities	5,370	1,400	Community development
SDG 2	Zero Hunger	5,176	2,940	Food and essentials kits
SDG 4	Quality Education	1,925	751	Technical research and promote STEM education
SDG 15	Life on Land	1,649	1,114	Plants
SDG 14	Life Below Water	582	418	Biodiversity
SDG 17	Partnerships to achieve the Goal	129	73	Capacity building

Figure 1 provides a clear picture of how Indian companies are aligning their sustainability efforts with the SDGs. As observed, companies report about some SDGs more than the others. As per the analysis conducted, SDG 10 is the most reported goal which talks about reducing inequality. On the other hand, SDG 17 is the least reported goal by Indian companies which emphasises on partnerships to achieve the SDGs. While this shows the focus of the Indian companies in achieving the goals. It reflects the lack of partnerships undertaken to achieve these goals.

Based on the qualitative analysis of the reporting done by companies, the following findings can be derived- All these 178 companies in our study have integrated the SDGs into their responsible business practices. On an average, companies are mapping all SDGs, with a range of 1 to 17. The most frequently reported SDGs are SDG 10 (Reduced Inequality), SDG 12 (Responsible Consumption and Production), SDG 7 (Affordable and Clean Energy), SDG 16 (Peace and Justice Strong Institutions) and SDG 9 (Industry, Innovation and Infrastructure). In contrast, SDG 17 (Partnerships to achieve the Goal) and SDG 14 (Life Below Water) was mapped the lowest.



CONCLUSION AND RECOMMENDATION

The research reveals an encouraging progress. These listed companies in India have been demonstrably prioritizing integrating Sustainable Development Goals (SDGs) into their business strategies. This is evident from their focus on SDG targets, which suggests a commitment to aligning their operations with these global sustainability objectives. It's positive to see that these companies are not just expressing interest in SDGs. The study indicates they've moved beyond awareness by establishing processes to measure and analyse their performance against these targets. This signifies a data-driven approach to sustainability, allowing them to track progress and identify areas for improvement.

Despite the positive trends, the research also identifies opportunities for further advancement. There's potential to scale up reporting efforts. This could involve more comprehensive disclosures and a higher level of detail regarding their SDG-related activities. Additionally, there's a need for deeper integration and implementation of certain SDGs. While companies might be aware of the goals, fully embedding them into core operations could lead to a more substantial impact.

The research emphasizes the importance of collaboration. The success of the SDG agenda hinges on collective action. The study suggests that Indian companies can benefit from working together, as well as partnering with companies and countries around the world. By sharing best practices and leveraging combined resources, they can accelerate progress towards achieving the SDGs. Overall, the research paints a picture of positive developments but also highlights areas where Indian companies can further strengthen their commitment to sustainability through the SDGs.

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