

CORPORATE SOCIAL AND ENVIRONMENTAL DISCLOSURE PRACTICES IN INDIA: EVIDENCE FROM INDIAN LISTED COMPANIES USING GRI AND BRSR FRAMEWORKS

Dr. Farida Rusi Mandviwala

Assistant Professor,

SPB English Medium College of Commerce, Athwalines, Surat, Gujarat, India

Affiliated to Veer Narmad South Gujarat University, Surat, Gujarat, India

Abstract

Sustainability and transparency in corporate reporting have emerged as vital components of responsible governance in the twenty-first century. While numerous studies have explored sustainability disclosure determinants in developed economies, limited empirical evidence exists for India—especially after SEBI introduced the Business Responsibility and Sustainability Reporting (BRSR) framework in 2021–22. This study evaluates the extent and quality of corporate social and environmental disclosure practices among Indian listed firms using a composite index derived from Global Reporting Initiative (GRI) and BRSR indicators. Data were collected from 50 Indian listed companies across five sectors for FY 2019–2024. The study employs content analysis and statistical validation using SPSS. Findings reveal a steady increase in disclosure intensity following BRSR implementation, with firm size, profitability and ownership structure emerging as major determinants of disclosure quality. The study contextualizes international frameworks such as GRI within India’s evolving sustainability landscape and offers implications for regulators, corporations and investors.

Keywords: Corporate social disclosure, environmental reporting, GRI, BRSR, sustainability, India, NSE

1. Introduction

Corporate social and environmental disclosures (CSED) have gained strategic importance as stakeholders demand greater transparency, accountability, and sustainability beyond financial performance. Globally, the *Global Reporting Initiative (GRI)* provides one of the most accepted frameworks for corporate sustainability measurement and reporting. Increasing alignment between national and global standards highlights the shift from voluntary corporate responsibility to mandatory disclosure norms.

In India, sustainability reporting has evolved significantly over the past decade. The Securities and Exchange Board of India (SEBI) mandated the *Business Responsibility Report (BRR)* for the top 500 listed firms in 2012, focusing on social, environmental, and governance dimensions. This was replaced by the *Business Responsibility and Sustainability Report (BRSR)* in FY 2022–23, aligned with the GRI Standards and the UN Sustainable Development Goals (SDGs). The BRSR emphasizes measurable disclosures on climate change, energy use, waste, workforce welfare, and community engagement.

Despite progress, empirical assessment of disclosure practices using internationally comparable frameworks remains limited. Prior research in China (Lu, 2012) and other emerging economies shows that CSED levels depend on regulatory regimes, stakeholder pressure, and firm characteristics. This study extends that inquiry to India by examining disclosure extent and determinants during the country's transition to BRSR.

Objectives of the study:

1. To measure the extent of social and environmental disclosures among Indian listed companies using GRI–BRSR-aligned indicators.
2. To examine the relationship between disclosure levels and firm characteristics such as size, profitability, leverage, and ownership.
3. To compare disclosure patterns across sectors to identify industry-specific variations.

2. Literature Review

Early research on social and environmental disclosure (Gray et al., 1995; Deegan, 2002) established that corporations disclose non-financial information to maintain legitimacy and respond to societal expectations. Later studies using GRI frameworks (Clarkson et al., 2008; Michelon, 2011; Lu & Abeysekera, 2012) demonstrated that disclosure quality varies with firm visibility, size, and regulatory context.

2.1 Global Evidence

Lu (2012) analyzed Chinese listed firms and found ownership, size, and profitability significantly affect disclosure levels. KPMG (2022) and GRI (2023) reports observed that over 80% of global Fortune 500 companies now use standardized ESG frameworks such as GRI or SASB.

2.2 Indian Evidence

Indian studies (Gupta, 2022; Nair, 2019; Debnath, 2023) highlight increasing CSR disclosure post–Companies Act 2013. However, most focus on CSR spending rather than detailed ESG metrics. The *IIMA (2024) Analysis of ESG Disclosures of 1,012 Indian Companies* and *ICAI (2023) BRSR Handbook* show growing structured reporting, though depth and comparability vary widely.

2.3 Research Gap

Few studies quantitatively assess GRI-aligned disclosure using Indian data after BRSR adoption. This study fills that gap by constructing a Corporate Social and Environmental Disclosure Index (CSEDI) based on GRI and BRSR guidelines and testing determinants using SPSS.

3. Research Methodology

3.1 Research Design

This study adopts a **quantitative, descriptive, and analytical design**, combining **content analysis** with **statistical evaluation** to assess corporate social and environmental disclosure (CSED) practices of Indian listed companies. The analysis integrates the **Global Reporting Initiative (GRI) Standards (2021)** with India’s **Business Responsibility and Sustainability Reporting (BRSR)** framework introduced by SEBI. The objective is to develop an empirical disclosure index that captures both qualitative and quantitative aspects of sustainability reporting.

3.2 Research Sample

The sample consists of 50 Indian listed companies across diverse sectors—manufacturing, energy, automobile, IT, FMCG and Finance selected using a purposive sampling method.

These firms were chosen based on:

- Continuous listing on the BSE/NSE from FY 2019–2024.
- Availability of sustainability or annual reports in the public domain.
- Representation across both high-impact (polluting) and service-oriented industries.

3.3 Data Collection

Data were collected from:

- Annual Reports, Sustainability Reports and BRSR filings on company websites and the GRI Database.
- CMIE Prowess and BSE/NSE for financial data. The study period spans five financial years (2019–2024), covering pre- and post-BRSR phases.

3.4 Development of Corporate Social and Environmental Disclosure Index (CSEDI)

To measure disclosure, **CSEDI** was developed combining relevant items from GRI Standards (300 – 400 series) and BRSR Key Performance Indicators (KPIs).

3.4.1 Index composition

Dimension	Example Indicators	Framework Source	Weight
Environmental	Energy use, water consumption, Waste Management, GHG emissions, biodiversity, renewable energy initiatives	GRI 302, 303, 305, 306; BRSR Section C1	40%
Social	Employee diversity, training, health and safety, CSR expenditure, community engagement, supply-chain responsibility	GRI 401–413; BRSR Section C2	40%
Governance/ Ethics	Board diversity, ESG oversight, code of conduct, anti-corruption measures	GRI 205, 405; BRSR Section C3	20%

Each indicator was coded on a **three-point disclosure scale**:

- 0 = Not disclosed
- 1 = Qualitative disclosure
- 2 = Quantitative/monetary or verified disclosure

The final **CSEDI score** for each company was computed as:

$$\text{CSEDI} = \frac{\sum \text{Scores for all indicators}}{\text{Maximum possible score}} \times 100$$

yielding a **percentage disclosure score** for each firm.

3.5 Financial and Control Variables

To examine determinants of disclosure, financial data were collected for the same period.

Variable	Proxy / Measurement	Expected Relationship
Firm Size (SIZE)	Natural log of total assets	Positive
Profitability (ROA)	Net income / Total assets	Positive
Leverage (LEV)	Total debt / Total assets	Negative
Industry Type (IND)	Dummy: 1 = Manufacturing / Heavy Industry; 0 = Service	Positive
Ownership Structure (OWN)	1 = Private domestic, 2 = Public sector, 3 = MNC	Mixed

3.6 Data analysis Tools and Techniques

Statistical techniques namely **Descriptive statistics** to summarize mean disclosure scores, Correlation and Multiple **Regression analysis** to test the relationship between Disclosure Index (dependent variable) and financial/firm-specific variables are used for analysing the data using SPSS (Version 28). **Sectoral comparison** is done through ANOVA to identify industry-level variation. The results were validated using **Cronbach’s alpha** for index reliability.

3.7 Hypotheses Development

Hypothesis Code	Statement	Theoretical Basis
H1	There is a positive relationship between firm size and the extent of social and environmental disclosure.	Legitimacy theory
H2	Profitability is positively associated with disclosure level.	Slack resource theory
H3	Leverage negatively influences disclosure level.	Agency theory
H4	Industry type significantly affects disclosure practices.	Stakeholder theory
H5	Post-BRSR period (2022–2024) shows significantly higher disclosure scores than pre-BRSR period.	Institutional theory

4. Results and Discussion

4.1 Descriptive Statistics

To assess the extent of corporate social and environmental disclosure (CSED), the **Corporate Social and Environmental Disclosure Index (CSEDI)** was computed for all 50 firms for FY 2019–2024.

Variable	Mean	SD	Min	Max
CSEDI (%)	61.72	14.85	32.10	88.50
Size (Ln Assets)	12.65	1.02	10.98	14.30
ROA (%)	7.42	3.20	1.25	14.85
Leverage (%)	45.16	15.80	12.60	72.40

Interpretation:

The mean disclosure score of 61.72% indicates a moderate to high level of sustainability reporting among Indian listed companies. A wide range (32%–89%) shows significant inter-firm variation, reflecting differing maturity levels in ESG adoption.

4.2 Trend Analysis: Pre- and Post-BRSR

Average disclosure scores increased noticeably after SEBI mandated BRSR reporting for the top 1,000 listed companies from FY 2022–23.

Year	Mean CSEDI (%)	YoY % Change
2019–20	53.4	—
2020–21	56.8	+6.4
2021–22	60.1	+5.8
2022–23	66.7	+11.0
2023–24	70.5	+5.7

Observation:

There is a **notable 17-point rise** in average disclosure between 2019–20 and 2023–24, demonstrating the regulatory impact of the **BRSR** framework and growing corporate awareness of ESG transparency.

4.3 Sectoral Comparison

Sector	No. of Firms	Mean CSEDI (%)	Rank
IT & Technology	8	75.2	1
Automotive	6	68.5	2
Banking & Finance	8	64.3	3
Manufacturing & Heavy Industry	14	58.1	4
FMCG & Consumer Goods	8	56.5	5
Energy & Utilities	6	52.4	6

Interpretation:

Sectors with higher international exposure such as IT and Automotive show stronger GRI alignment and external assurance of sustainability data. Heavy industries and energy firms lag, largely due to limited public disclosure of environmental impacts and GHG emissions.

4.4 Correlation Analysis

Variable	CSEDI	Size	ROA	Leverage
CSEDI	1	0.58**	0.41*	– 0.32*
Size		1	0.27	– 0.45**
ROA			1	– 0.11
Leverage				1

(*p < .05, **p < .01)

Interpretation :

Disclosure level (CSEDI) shows a **strong positive correlation with firm size** ($r = 0.58$) and **moderate positive correlation with profitability** ($r = 0.41$). Leverage is negatively correlated ($r = -0.32$), implying that highly leveraged firms may avoid detailed disclosures to reduce scrutiny.

4.5 Regression Results

Predictor	B	t	Sig.	Hypothesis
Size	0.462	4.82	.000	H1 Supported

ROA	0.291	2.76	.008	H2 Supported
Leverage	-0.217	-2.15	.036	H3 Supported
Industry Type	0.165	1.94	.058	H4 Partially
Post-BRSR	0.305	3.55	.001	H5 Supported
R ² = 0.59				

Interpretation:

Approximately **59%** of the variation in disclosure levels is explained by the selected variables. **Firm size** and **BRSR adoption period** are the most influential predictors, reinforcing that regulatory compulsion and organizational scale significantly drive transparency. Profitability also enhances disclosure capacity, while leverage dampens it.

4.6 Discussion

The results confirm that **institutional reforms**—notably SEBI’s BRSR mandate—have meaningfully strengthened sustainability reporting in India. Larger and more profitable firms show higher levels of compliance and GRI alignment, consistent with *legitimacy* and *stakeholder* theory. The negative association between leverage and disclosure supports *agency theory*, as highly indebted firms may limit voluntary information flow to protect management interests.

Sectoral analysis mirrors international evidence (Lu & Abeysekera 2012; Bais 2024) that environmentally intensive industries disclose less despite higher environmental exposure, suggesting a continuing “green gap” in Indian corporate reporting.

Overall, the findings validate that India’s sustainability reporting trajectory is converging toward global GRI standards, though substantial scope remains to improve assurance quality, comparability, and quantitative environmental data.

5. Summary of Findings of the Study:

This study examined corporate social and environmental disclosure (CSED) practices of 50 Indian listed companies for FY 2019–2024, aligning the analysis with Global Reporting Initiative (GRI) and Business Responsibility and Sustainability Reporting (BRSR) frameworks. The results revealed that:

- The overall disclosure level is moderate to high (mean 61.72%), with clear improvement post-BRSR implementation.
- Firm size and Profitability are significant positive determinants of disclosure intensity, while leverage negatively influences transparency.
- Industry-wise, IT and Automotive sectors outperform and heavy industries and energy firms in adopting GRI-aligned sustainability reporting.
- Post-2022, the BRSR framework has accelerated ESG data standardization and comparability among Indian corporates.

These findings demonstrate that regulatory compulsion, stakeholder engagement and institutional pressure are crucial in driving sustainability disclosure behavior in emerging markets like India.

6. Contributions of the Study

The present study has made significant contributions to the existing body of knowledge in terms of both theory and practice. Each of these contributions is discussed accordingly.

6.1 Theoretical Contributions:

The study contributes to sustainability accounting literature by integrating legitimacy, stakeholder and agency theories into an Indian context.

It extends prior international research (e.g., Lu & Abeysekera, 2012; Bais, 2024) by evidencing how India's transition from voluntary CSR reporting to mandatory BRSR has structurally influenced corporate behaviour.

Practically, the Corporate Social and Environmental Disclosure Index (CSEDI) developed in this study offers a replicable framework for:

- Benchmarking disclosure performance across firms and industries.
- Supporting regulators and analysts in assessing ESG transparency levels.
- Helping companies identify disclosure gaps relative to GRI and SEBI requirements.

6.2 Practical Contributions and Policy Recommendations

6.2.1. For Regulators (SEBI, MCA, ICAI)

- **Mandatory external assurance:** Require independent verification of key ESG indicators (energy, emissions, water, waste) to improve reliability.
- **Sector-specific BRSR supplements:** Tailor disclosure templates for energy, agriculture, and manufacturing sectors similar to GRI's sector standards.
- **Integration with financial reporting:** Encourage inclusion of sustainability KPIs in annual reports to strengthen integrated reporting practices.

6.2.2. For Corporates

- **Adopt GRI-aligned metrics:** Move beyond narrative CSR statements toward quantitative performance disclosures.
- **Invest in ESG data systems:** Build internal capacity for environmental data collection and real-time monitoring.
- **Enhance transparency and accessibility:** Publish sustainability data in digital formats compatible with global sustainability databases (GRI, CDP, TCFD).

6.2.3. For Investors and Analysts

- Utilize CSEDI or BRSR-based ESG scores to evaluate firms' non-financial risk exposure and ethical performance.
- Integrate sustainability metrics in credit and investment rating frameworks.

7. Limitations of the study

The findings of the study are based on 50 sample companies. As the sample size is small conclusive inference cannot be made based on findings of the study. The unlisted companies are not considered.

Only four influencing variables are used to examine whether they influence the social and environmental disclosure practices or not. Those four are chosen because of the ability to compare the results with existing literature. Other, less researched, variables like environmental performance, corporate governance structures, organizational culture and media exposure could be investigated.

8. Areas of Further Research

The findings of this study provides for the following areas of further research.

1. The study analysed social and environmental disclosure practices based on GRI guidelines specifically. As the GRI has now published specific sector supplements for few sectors, future research may take these sector supplements into account for data collection and results interpretation.
2. The study is limited to 50 companies only. The sample size can be extended to larger size taking more companies for study and extend the CSEDI to small companies also like SMEs and mid-cap firms.
3. Conduct cross-country comparisons (e.g., India vs. China or ASEAN) to examine cultural and regulatory influences on ESG transparency.
4. The study can be done using other less researched influencing variables to examine whether they influence the social and environmental disclosure practices or not.

9. Conclusion

India's corporate disclosure environment is undergoing a transformative shift from voluntary CSR to standardized sustainability reporting, aligning with **global frameworks like GRI**. The **BRSR mandate** by SEBI has significantly elevated transparency and accountability among Indian corporates. However, achieving full convergence with global ESG standards requires continuous regulatory reinforcement, independent assurance and corporate commitment to sustainability integration. This research underscores that credible sustainability disclosure is not merely a compliance exercise — it is a strategic necessity for corporate legitimacy, long - term value creation and responsible growth in India's emerging economy. To conclude, those firms that are more likely to be subject to public examination i.e. firms in high-profile industries and those firms that seek to gain or maintain the support of powerful stakeholders have started to adopt a disclosure strategy.

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