



ISSN (Print): 1060-6076
ISSN (Online): Applied

The Journal of African Development
2026; Vol 7: Issue 1
<https://www.afea-jad.com/>

Integrating ESG Principles for Long-Term Business Sustainability

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Cite This Paper as: Ms. Arjoo Tailor, Prof. Dr Vijay Laxmi Sharma (2026) Integrating ESG Principles for Long-Term Business Sustainability. The Journal of African Development 1, Vol.7, No.1, 744-754

KEYWORDS

*Environmental
Social
Governance,
Sustainable
Development
Goals, Business
Sustainability,
Corporate Social
Responsibility,
Impact
Assessment,
Corporate
Compliance*

ABSTRACT

This research presents a fresh outlook on Corporate Social Responsibility (CSR) implementation one that emphasizes its potential to create global and sustainable outcomes. Initially, the study explores the key drivers of CSR in a novel manner, highlighting the advantages corporations can gain from CSR based on recent literature. It then proposes an integrated model that combines elements from existing CSR frameworks while introducing new dimensions. Subsequently, the study examines the Sustainable Development Goals (SDGs), outlining their current status and global progress as reported in the United Nations' annual assessments. Lastly, it analyzes all 17 SDGs through a corporate lens, demonstrating how each goal can generate business value, and presents a holistic framework for implementing CSR strategies aligned with the SDGs.

1. INTRODUCTION

Investors increasingly recognize the importance of social responsibility, sound governance, and environmental stewardship. These factors, collectively captured under ESG metrics, provide a framework for assessing an organization's broader social and ecological impact. Over time, ESG considerations have become central to investment strategies, influencing how decisions are made and shaping the long-term value investors see in a company

The concept of ESG first emerged in 2004, when the United Nations Global Compact released its landmark report *Who Cares Wins: Connecting Financial Markets to a Changing World*, which formally introduced the term to the global investment community. (The History of Environmental Social And Governance (ESG) | IBM, 2024) Launched in July 2000 by the United Nations Secretary-General, the initiative sought to bring ESG concerns to the forefront of global finance. Through its conferences, it engaged diverse financial sectors and emphasized the need to integrate Environmental, Social, and Governance principles into market research, investment strategies, and analytical frameworks. (Scribd, n.d.) In addition, the initiative builds bridges between companies, UN agencies, labor organizations, and civil society groups to promote the ten principles of Environmental, Social, and Governance responsibility. By fostering such collaboration, it aims to create a more inclusive, stable, and sustainable global economy. (113237-WP-WhoCaresWins- 2004.Pdf, n.d.)

Even before the term ESG was formally introduced, related concerns were already gaining momentum throughout the 1990s. This decade was marked by landmark environmental milestones, such as the 1992 Rio Earth Summit, the 1996 release of the ISO 14001 standards for environmental management, and the signing of the Kyoto Protocol in 1997. Growing public awareness during this time also pushed governments to adopt new laws and policies targeting issues like recycling, climate change, and the regulation of hazardous chemicals. Collectively, these developments signaled a shift toward greater global environmental consciousness and laid the groundwork for ESG's eventual rise. (*The Evolution of ESG Investing*, n.d.)

Over time, investors came to recognize that addressing ESG concerns such as greenhouse gas emissions not only mitigates risk but can also enhance financial performance. This realization led asset managers to develop specialized metrics and frameworks for evaluating the environmental and social impacts of their portfolios. A key milestone in this evolution was the Global Reporting Initiative (GRI), founded in 1997 to address environmental issues but later broadened to include social and governance dimensions, becoming one of the most influential standards for sustainability reporting worldwide. (*A-Short-Introduction-to-the-Gri-Standards.Pdf*, n.d.)

The 2000s witnessed a wave of corporate scandals that fueled calls for stronger governance and accountability. In response, former UN Secretary-General Kofi Annan, in 2004, invited more than 50 CEOs to participate in a UN Global Compact initiative aimed at integrating ESG principles into business practices. This effort culminated in the 2005 *Who Cares Wins* report, which underscored the vital connection between financial performance and a company's commitment to Environmental, Social, and Governance values. (Macesar, 2024)

In 2006, the United Nations Environment Programme launched the Principles for Responsible Investment (PRI), providing investors with a structured framework to incorporate environmental, social, and governance factors into their decision-making and investment strategies. (*About the PRI*, n.d.)

At the 2012 United Nations Conference on Sustainable Development, held in Rio de Janeiro, world leaders drafted the Sustainable Development Goals (SDGs). The conference sought to establish a

set of global targets designed to tackle the pressing political, economic, and environmental challenges facing humanity. (*Sustainable Development Goals (SDGs)*, n.d.) The UN replaced the eight Millennium Development Goals in 2015 with 17 universally applicable goals to change the world, which it has since advocated as global goals of sustainable development for the years 2015–2030. (*Sustainable Development | UN Global Compact*, n.d.) If these objectives are to be achieved, governments, corporations, and civil society must work together to find solutions to the shared problem of sustainable development. (*Sustainable Development | UN Global Compact*, n.d.)

Many businesses are now adopting different SDG (Sustainable Development Goals) models to minimize negative impacts while promoting a more positive and forward-looking approach. Companies play an essential role in driving these goals by developing policies and practices that align with the sustainable development agenda. The SDGs also serve as a foundation for several key organizations, including the Climate Disclosure Standards Board (CDSB), the International Integrated Reporting Council (IIRC), the Carbon Disclosure Project (CDP), and the Global Reporting Initiative (GRI). These bodies highlight how corporations contribute to advancing the SDGs. Moreover, these five leading standard-setting organizations have pledged to work together in developing a comprehensive framework for corporate responsibility and sustainability reporting. (*Statement of Intent to Work Together Towards Comprehensive Corporate Reporting | Integrated Reporting*, n.d.)

From a UN corporate social responsibility program, the ESG movement has expanded to become a worldwide phenomenon by 2021. The ESG industry may boost the estimated \$140 trillion in assets under management to \$40 trillion by 2030. (*Exploring the Growth in ESG Investing and the Different Frameworks That Govern These Investments in Europe – Qualitas*, n.d.) Through the SDGs, businesses have the opportunity to take the lead in driving solutions, showing how companies can support sustainable development by minimizing negative impacts while maximizing positive outcomes for both people and the environment.

The incapacity of corporations to incorporate sustainable business practices into their corporate strategy causes them to frequently fall short in commitment and production, even in the face of this exciting market reaction.

It is suggested that both corporates and investors encounter obstacles in their plans and strategies to increase their use of money for significant social and environmental change.

Consequently, even if ESG investing has sped up and improved market changes, there is still a noticeable discrepancy between possible investment possibilities and their actualization. (Mishra, 2023)

To achieve the Sustainable Development Goals (SDGs), it is widely recognized that environmental, social, and governance (ESG) factors play a vital role. ESG elements focus on how an organization's activities impact both the environment and

society.(Dwivedi, 2023)

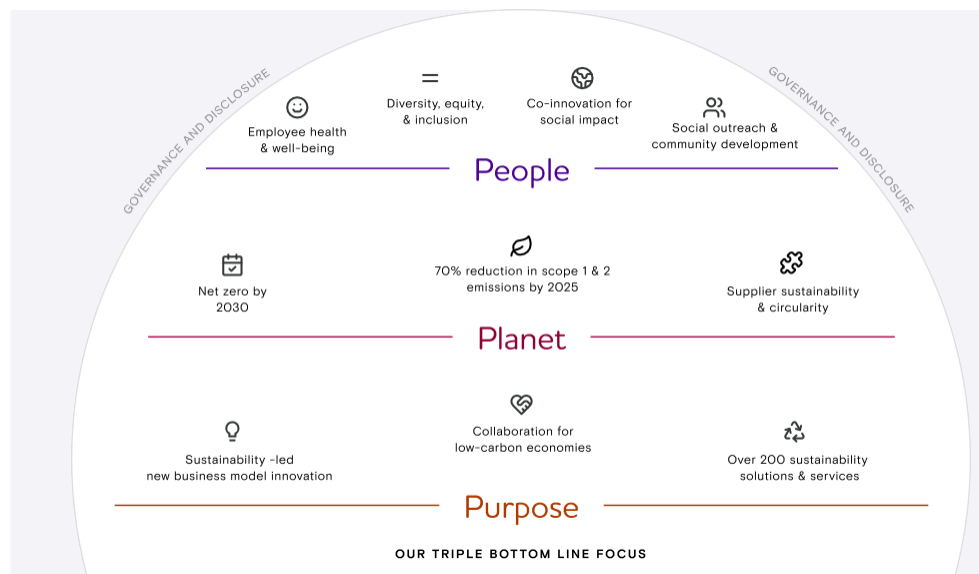
ESG reporting is already a standard component of research methodologies for investors interested in sustainable development, and the SDGs highlight important impact areas and offer a useful framework that supports and enhances it. Their impact within firms is increased, and the adoption of comprehensive investment decisions based on ESG is standardized.(*The Connection Between ESG And SDGS*, 2024)

Transparent ESG reporting strengthens the link between ESG performance and overall sustainability.

Achieving sustainability within any organization requires a multifaceted strategy. Organizations must integrate sustainable development goals not only through awareness-raising initiatives but also by delivering tangible, impactful results that enhance their environmental, social, and economic value. This approach is rooted in the **Triple Bottom Line (TBL)** framework, first introduced in John Elkington’s 1997 book *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, published by Capstone Publishing Ltd. Elkington, described by *Business Week* in 2004 as “a dean of the corporate responsibility movement for three decades,” highlighted the significance of linking sustainability to business success. The TBL’s greatest contribution was establishing a compelling business case for prioritizing sustainability. Today, we continue to witness growing environmental and social challenges at global, regional, and local levels— challenges that stem from markets’ hesitation to fully embrace sustainability. The guiding principle of “People, Planet, Prosperity” effectively captures this urgent need for balance.(*The Triple Bottom Line: What It Is & Why It’s Important*, n.d.)

Tata Consultancy Services (TCS) has embraced the **Triple Bottom Line (TBL)** approach to strengthen its sustainability goals. The company’s commitment extends beyond environmental initiatives, reaching across its value chain and addressing consumer expectations. By focusing on the three P’s **Planet, People, and Purpose**. TCS aims to create a balanced framework that delivers

long-term value while driving meaningful impact for society and the environment.(*Sustainable Business*, n.d.)



(*Sustainable Business*, n.d.)

Environmental, Social, and Governance (ESG) serves as a comprehensive framework for advancing sustainability objectives. While ESG has gained significant prominence in recent years, its foundation lies in the concept of Corporate Sustainability. Without this foundation, ESG as we know it today would not exist. Corporate Sustainability emphasizes accountability within organizations, ensuring that businesses operate responsibly, whereas ESG introduces measurable criteria to evaluate and classify these efforts in terms of market performance. In practice, ESG acts as a bridge between sustainability principles and financial market assessments, positioning corporate performance in terms of environmental stewardship, social responsibility, and governance standards. Strong sustainability initiatives within a company often translate into higher ESG ratings, creating both reputational and financial benefits. Corporate Sustainability also has a profound impact on organizational structures, strategic decision-making, and management responsibilities. In the Indian

context, a significant step forward came with the **Companies Act, 2013**, which positioned India as a pioneer in mandating corporate responsibility. This legislation requires qualifying companies to dedicate at least **2% of their profits** toward **Corporate Social Responsibility (CSR)** activities, as defined in the Act's 7th Schedule. Through this policy, the

government has encouraged industries to not only focus on profit but also contribute to societal welfare and sustainable development.¹

Different reporting framework for ESG

The Securities and Exchange Board of India (SEBI) also required the leading 1000 companies to file Business Responsibility and Sustainability Reports (BRSR), prompting rating agencies to evaluate and contrast the publicly accessible company reports. (*Business Responsibility and Sustainability Reporting by Listed entities Annexure I_p.Pdf*, n.d.) Recent regulatory requirements, such as BRSR Core assurance and the mandate for 75% value chain assurance, have pushed industries to comply with standards that support national ESG priorities and contribute to addressing climate change. At the same time, to gain investor confidence and attract stakeholders, many companies are now setting ESG targets to monitor and manage sustainability-related risks. (*ESG Goals in Indian Business*, 2025)

BRSR and Sustainable development goals

The Business Responsibility and Sustainability Reporting (BRSR) framework was launched by SEBI in 2021 as a mandatory disclosure requirement for the top 1,000 listed companies in India. Its main aim is to strengthen corporate transparency and encourage businesses to adopt responsible and sustainable practices. The BRSR framework replaced the earlier Business Responsibility Report (BRR), which SEBI had introduced in 2012 as a voluntary reporting mechanism. However, the BRR failed to gain widespread acceptance due to its broad and unclear guidelines. To overcome these limitations, SEBI formed a committee in 2019 to evaluate the BRR and suggest improvements. Based on the committee's 2020 recommendations, SEBI transitioned from the voluntary BRR to a more structured and compulsory reporting system, resulting in the introduction of BRSR.

As a result, the BRSR was implemented in 2021, offering stricter and more detailed disclosure requirements. Unlike the BRR, the BRSR covers a wider spectrum of sustainability concerns and demands greater depth in reporting, ensuring that companies are held accountable for their environmental, social, and governance practices. (Tripathi, n.d.) Before the introduction of the BRSR, several sustainability reporting frameworks existed in India, but all of them were voluntary.

¹ Section 135 of Companies Act 2013.

This voluntary nature led to inconsistencies in disclosures, making it challenging to compare the sustainability performance of different companies. The absence of a standardized system also created difficulties for investors and stakeholders in assessing how effectively businesses were managing their sustainability commitments.

The BRSR addresses these gaps and brings several advantages. Most importantly, it provides a comprehensive framework that covers a wide range of sustainability aspects, including governance, ethics, social responsibility, environmental performance, and economic impact. By doing so, it enables Indian companies to present a more structured, detailed, and comparable picture of their sustainability practices.



Source - Introduction to BRSR Compliance: A SEBI Mandate(Nandedkar, 2024)

The Ministry of Corporate Affairs (MCA) introduced the National Guidelines on Responsible Business Conduct (NGRBC) to provide businesses with a structured framework for adopting responsible practices. These guidelines focus on key areas such as human rights, labor standards, environmental impact, and anti-corruption measures, encouraging companies to operate with

accountability and sustainability at their core. In addition, India has been actively promoting the issuance of green bonds to attract investment in environmentally friendly projects. To ensure transparency and proper utilization of funds, SEBI has laid down specific guidelines for green bonds, mandating that the capital raised must be directed toward initiatives with measurable environmental benefits. (FOUNDATION, n.d.) Climate Risk Disclosure: The importance of revealing climate-related risks and opportunities is growing. Climate risk disclosures are part of SEBI's BRSR framework, which complies with global guidelines such as the Task Force on Climate-related Financial Disclosures (TCFD).

These initiatives reflect India's strong commitment to strengthening ESG practices and aligning with international standards. For businesses operating in India, it is essential to stay updated with these evolving requirements and ensure compliance. Doing so not only enhances corporate governance and sustainability policies but also builds long-term trust with investors, stakeholders, and the global market.

1.2 Prominent Sustainability Reporting and Disclosures

There are few Prominent Sustainability Reporting and Disclosures that enables the business to reveal their environmental sustainability practices such as-(OECD, 2023)

CDP (Carbon Disclosure Project)

Climate Disclosure Standards Board (the)

OECD Due Diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, including the supplements to it

Eco-Management and Audit System (EMAS) and Sectoral Reference Documents pertinent to this Directive.

European Federation of Financial Analysts Societies' KPIs for ESG, Environmental, Social, Governance.

Tripartite Declaration of principles concerning multinational enterprises and social policy of the International Labour Organisation

the United Nations (UN) Global Compact

UN Sustainable Development Goals, Resolution of 25 September 2015 transforming our world: the 2030 Agenda for Sustainable Development

UN Guiding Principles on Business and Human Rights implementing the UN 'Protect, Respect and Remedy'

Strategy for implementation of ESG to attain corporate sustainability

Environmental, Social, and Governance (ESG) factors serve as an essential framework for organizations seeking sustainable development by integrating these principles into their governance, management, and strategic decision-making processes. While the concept of business sustainability focuses on ensuring an organization's long-term viability through ethical management and forward-looking strategies, Corporate Social Responsibility (CSR) emphasizes a voluntary and self-regulatory approach to promoting societal well-being. In contrast, ESG provides a more systematic and measurable framework, characterized by clearly defined objectives, evaluation criteria, and reporting mechanisms that facilitate the monitoring and assessment of sustainability performance. (*ESG_Pillar_PDFdownload.Pdf*, n.d.)

ustainability reporting provides a holistic perspective on an organization's operations and overall performance by extending beyond traditional financial disclosures to include environmental, social, and governance (ESG) considerations measured through specific and transparent indicators. These indicators enable a more accurate evaluation of a company's advancement toward sustainable development objectives. In recent years, several international organizations and regulatory authorities such as the Securities and Exchange Commission (SEC), the European Union (EU), and the Financial Conduct Authority (FCA) have emphasized the importance of sustainability reporting. Their initiatives aim to enhance accountability and transparency in response to the escalating global challenges associated with climate change and environmental degradation. (Nandedkar, 2024)

The Business Responsibility and Sustainability Report (BRSR) offers several notable advantages. One of its primary strengths lies in its comprehensive framework, which encompasses multiple dimensions of sustainability, including governance, ethical conduct, social responsibility, environmental stewardship, and economic performance. This integrated approach enables Indian companies to present their sustainability initiatives in a balanced and systematic manner.

To strengthen their sustainability agendas, businesses should seek to incorporate diverse Environmental, Social, and Governance (ESG) principles, trends, and best practices into their strategic planning. Such integration may involve initiatives aimed at reducing greenhouse gas emissions, fostering ethical and sustainable supply chains, implementing climate adaptation strategies, and adopting a circular economy model. The circular economy emphasizes the continuous use and regeneration of products, components, and materials, prioritizing reuse and resource efficiency over traditional linear models of production and consumption.

Considering these factors, organizations can adopt an eight-step approach to effectively design and implement an Environmental, Social, and Governance (ESG) strategy:

Engage with diverse stakeholders to gather insights and expectation;

Analyze the materiality matrix to determine the significance of various ESG issues;

Establish key performance indicators (KPIs) to measure ESG performance;

Define clear and quantifiable goals for ESG initiatives;

Identify suitable reporting standards and frameworks;

Collect, analyze and communicate ESG- related data to support informed stakeholder decision making;

Ensure continuous monitoring and evaluation of ESG progress.

Integrate ESG outcomes into broader organizational strategies and governance structures.

For any organization, maintaining transparency in ESG reporting extends beyond fulfilling compliance obligations, it represents a critical strategic imperative. Transparent reporting builds trust and accountability, enabling stakeholders, particularly investors, to assess an organization's long-term sustainability, ethical standards, and risk management effectiveness. In an era where responsible corporate behavior increasingly influences investment and reputation, clarity and openness in ESG disclosure serves as key drivers of sustained business value. (*ESG Strategy and Management*, n.d.)

When an organization effectively implements appropriate Environmental, Social, and Governance (ESG) strategies

supported by accurate and credible metrics, it enables stakeholders to make informed and confident investment decisions. Conversely, when ESG reporting is inconsistent, manipulated, or lacks standardized frameworks, it can mislead stakeholders, resulting in misguided

investment choices. Such discrepancies not only cause potential financial losses but also erode the organization's credibility and reputation within the market.

Accurate and transparent ESG reporting fosters trust among key stakeholders, including investors, consumers, and employees. It enhances brand reputation and ensures that the organization's ethical values are aligned with its financial objectives, thereby reinforcing long-term sustainability and responsible corporate governance.

Transparency for Stakeholders Investors

Investment decisions are increasingly shaped by a company's sustainability performance as reflected in publicly available Environmental, Social, and Governance (ESG) reports. By enhancing transparency, the disclosure of non-financial information through the Business Responsibility and Sustainability Report (BRSR) fosters greater trust among stakeholders, including investors, consumers, and regulatory authorities. Globally, the pursuit of the sustainable development agenda has intensified attention on the quality, reliability, and transparency of ESG data, as well as the need for robust evaluation of corporate ESG performance. Consequently, both organizations and their stakeholders are prioritizing ESG-focused decision-making processes.

In today's evolving green economy, comprehensive ESG reporting has become a key determinant of competitiveness. Stakeholders and consumers are increasingly aware of the significant influence that environmental issues exert on economic systems. This heightened awareness has, in turn, placed considerable pressure on companies to produce transparent, credible, and data-driven ESG reports that demonstrate accountability and commitment to sustainability principles.

In the era of globalization and sustainable development, investors are placing greater emphasis on the Environmental, Social, and Governance (ESG) performance of companies. This shift reflects the increasing recognition of ESG criteria as a critical component of investment evaluation, encouraging the growth of a more sustainable and resilient global economy. By integrating ESG considerations into their decision-making processes, investors contribute to advancing long-term sustainable development goals and promoting responsible corporate practices.(Sciarelli et al., 2021) Even modest improvements in Environmental, Social, and Governance (ESG) reporting can enhance investor confidence and engagement. Research indicates that the level of transparency is

closely linked to the quality, relevance, and comprehensiveness of the disclosed information. Institutional investors, in particular, tend to favor ESG disclosures that are detailed, transparent, and easily accessible, as such data enable them to make well-informed and strategic investment decisions. ("(PDF) The Impact of ESG Report Transparency on Investor Behavior," n.d.)

Comparable perspectives were highlighted in the 2021 EY Global Institutional Investor Survey, which reported that a significant proportion of investors approximately 74% worldwide indicated a greater likelihood of divesting from companies that demonstrate weak or inadequate Environmental, Social, and Governance (ESG) performance.(India|authorurl:https://www.ey.com/en_in/people/rajnish-gupta & Leader|authorurl:https://www.ey.com/en_in/people/chaitanya-kalia, n.d.) According to Accenture, companies with consistently high ESG performance tended to score 2.6x higher on total shareholder return than medium ESG performers between 2013 and 2020.(*Decoding ESG Reporting*, n.d.) With the growing awareness among investors regarding their social and environmental responsibilities, the expectation for companies to integrate Environmental, Social, and Governance (ESG) principles into their operations has intensified. Consequently, there has been a notable rise in the demand for ESG-oriented products, reliable ESG ratings, and comprehensive ESG reporting to support responsible investment decisions.(*Decoding ESG Reporting*, n.d.)

Consumer

In a survey of over 19,000 customers in ten countries, the international consulting company Bain & Company found that extreme weather and climate change concerns are affecting Indian consumers' preferences for sustainable products. While 64% of respondents in India stated that their degree of worry about climate change has grown, 76% of consumers worldwide feel that leading a sustainable lifestyle is crucial "because their actions have an impact." Based mostly on cultural norms and economic concerns, the poll indicates that Indian consumers who live sustainably tend to develop behaviors that emphasize cutting back on consumption, increasing reusability, and minimizing waste.(Mathew, 2024)

Several retailers today have set a target of transforming their businesses by shifting to renewable energy sources and

committing to net zero emission targets. Such sustainable measures would not only accelerate sales and increase their market value but also augment their brand longevity. The

need for sustainability transparency is being driven by Gen Z and Millennials. They hold companies responsible for greenwashing and favor cruelty-free, ethical, and environmentally friendly products. 88% of Indian consumers are willing to pay more for locally made or sustainable products, particularly from businesses with a reputation for ethical business practices, according to PwC's Global Consumer Insights Pulse Survey (2024). This indicates that transparency is not only expected but also influences consumer choices. (Mathew, 2024) According to the study, when a business implements ESG practices, instead of consumers responding to the brand right away or expressing intentions to spread the word, these practices create a favorable brand image, brand attitude, and brand attachment. As a result, ESG can be summed up as having an impact on brand loyalty. (“(PDF) How Does Corporate ESG Management Affect Consumers’ Brand Choice?,” 2025)

Employees

ESG is not just about drawing in customers who care about sustainability; it’s also about building a team of employees who are excited about their work. ESG helps the company stand out when it comes to both hiring and keeping efficient people. How well a company is doing is ESG affects how many happy employees are and plays a key role in making the workplace a great place to be.

The link between ESG and the employee experience is strong. When businesses focus on ESG. Workers usually feel more motivated and connected to their jobs, which makes their work life more satisfying and meaningful. Here’s How ESG values can improve the way employee experience their work. (Llansó, 2024) The ESG helps to improve workplace environment by healthier and sustainable workplace, providing meaningful work not only for organization but also for society, help to enhance the work life balance, career and learning opportunities for employees.

Although ESG originally focused on environmental sustainability to please external groups like shareholders and customers, the emphasis has grown to include efforts aimed at addressing what is likely the most important internal group within a company and that is employees

This sector aims to develop a positive and long-lasting company culture that reduces negativity and turnover by encouraging diversity, inclusiveness, and support between management and staff. The culture's perception of employee remuneration as fair, nondiscriminatory, and based on

objective facts rather than arbitrary or inconsistent decisions is arguably the most significant aspect. (*ESG and Compensation Transparency*, n.d.)

Challenges

In recent years, Environmental, Social, and Governance (ESG) factors have gained significant prominence in investment decision-making, positioning ESG ratings as a crucial tool for investors seeking responsible and sustainable investment opportunities. However, concerns have emerged regarding the reliability of the data underpinning these ratings and the challenges associated with comparing ESG indices developed by different agencies. The absence of standardized reporting frameworks and independent verification mechanisms further exacerbates these concerns, increasing financial risks for investors who depend on ESG ratings to guide their investment choices. (Grant, 2024) Currently, the landscape of Environmental, Social, and Governance (ESG) reporting is highly fragmented, with over 600 different frameworks being utilized globally. Many of these frameworks differ significantly in their evaluation methodologies, criteria, and company ranking systems, leading to inconsistencies and challenges in achieving comparability and standardization across ESG assessments.

The PwC Global Investor Survey (2023) revealed that 94% of investors expressed concerns regarding the credibility of corporate sustainability reports, citing instances of unsubstantiated claims. The survey, which included responses from 345 analysts and investors across 30 countries and regions 65% of whom were employed by organizations with annual revenues exceeding \$1 billion underscored the growing need to address greenwashing practices. Such deceptive sustainability claims undermine transparency, weaken investor confidence, and diminish the overall integrity of sustainability initiatives. (Tanguy, 2024)

Although Stakeholder Capitalism has gained significant traction in recent years, its implementation continues to encounter several challenges. Pressure from short-term investors often limits the willingness of companies to pursue long-term sustainability objectives. Additionally, unstable socio-political environments can hinder the flow of sustainable finance and

encourage short-term opportunistic behavior. The measurement and reporting of Environmental, Social, and Governance (ESG) performance also remain complex, requiring standardized and robust frameworks to ensure consistency and comparability. Moreover, embedding stakeholder interests into organizational decision-making demands a fundamental cultural transformation

within businesses. While the World Economic Forum introduced the Stakeholder Capitalism Metrics in 2020, a universally recognized legal framework for Stakeholder Capitalism has yet to be established. Nonetheless, a gradual shift toward stakeholder-oriented governance is increasingly apparent. Regulatory efforts, such as the European Union's Corporate Sustainability Reporting Directive (CSRD), have made it mandatory for companies to disclose sustainability-related information, including ESG indicators. Similarly, other notable frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) in the United Kingdom, the Business Responsibility and Sustainability Report (BRSR) mandated by SEBI in India, and the emerging International Sustainability Standards Board (ISSB)-aligned standards across Asia reflect a global movement toward enhanced corporate accountability, stakeholder inclusivity, and transparency in sustainability reporting. (Mathur, n.d.) A study conducted by the World Business Council for Sustainable Development (WBCSD) revealed significant inconsistencies in corporate sustainability disclosures. The findings indicated that member companies reported only 29% of material sustainability issues identified in their sustainability reports within the risk sections of their annual reports. Furthermore, 35% of these companies failed to include any of the identified sustainability risks in their official legal filings. The study also highlighted that 72% of WBCSD members acknowledged that, overall, corporations are not sufficiently transparent in disclosing sustainability-related risks to their shareholders. (*ESG Disclosure Handbook.Pdf*, n.d.) Within the realm of sustainability accounting, numerous frameworks have been developed to classify, define, and communicate sustainability-related concepts. However, this proliferation of diverse and sometimes conflicting approaches has led to growing concern among investors and practitioners in the Environmental, Social, and Governance (ESG) field. Scholars and experts, including Robert Eccles an influential figure in ESG research and the founding chair of the Sustainability Accounting Standards Board (SASB) have observed that the coexistence of multiple reporting standards, such as those established by SASB, the Global Reporting Initiative (GRI), and the Task Force on Climate-related Financial Disclosures (TCFD), has created confusion within the industry. This overlap of frameworks, often referred to as an "alphabet soup," has made it challenging for companies and investors to navigate and align their sustainability reporting practices effectively. ("Evolution of ESG Reporting Frameworks," 2020)

According to McKinsey Global Survey, 44 percent of survey respondents have mentioned that the main advantage of ESG (Environmental, Social, and Governance) activities in the business sphere

is organizational growth promotion. The biggest beneficiaries of this expansion are the telecom with 49 percent, consumer goods 51 percent of expansion and oil and gas 53 percent. On the other hand, health and financial services concentrate more on investor expectations and regulation. Moreover, the industries that are high-tech in nature use the ESG to compete in terms of bringing up the staff and retaining them by reflecting the key priorities of ESG in various industries.

2. CONCLUSION

The ESG framework has become a pivotal force in promoting sustainable and ethical business operations. By integrating environmental, social, and governance principles into corporate decision-making, it attracts investors while also creating value for employees, customers, and the broader community. Its main objective is to enhance transparency, accountability, and long-term growth. Despite its potential, the framework is not without flaws. Variations in reporting standards, inconsistent disclosures across sectors, and the ongoing challenge of greenwashing often weaken its reliability. For many organizations, ESG still functions more as a regulatory requirement than as a genuine strategic priority, reducing its overall impact. Across the globe, regulators are tightening ESG requirements to enhance transparency and accountability. The European Union's Corporate Sustainability Reporting Directive (CSRD), for example, introduces standardized and comprehensive disclosure rules designed to strengthen investor confidence and comparability. Likewise, India's Securities and Exchange Board (SEBI) has implemented the Business Responsibility and Sustainability Report (BRSR), which mandates leading companies to provide structured ESG data. While these initiatives represent positive progress, they also underscore the urgent need for stronger oversight, industry-specific frameworks, and better alignment with international standards.

During discussions at COP26, panelists highlighted the importance of establishing a globally consistent ESG reporting framework. Such a unified approach would improve the quality of disclosures, enhance transparency, and build greater trust among investors, consumers, and other stakeholders.

Ultimately, ESG continues to serve as a powerful mechanism for balancing economic growth with environmental protection and social responsibility. However, to unlock its full potential, the framework requires further refinement. Stronger compliance measures, clearer reporting standards, and globally harmonized guidelines are crucial for addressing existing



gaps. With these

advancements, ESG can evolve from an aspirational concept into a concrete, enforceable system that fosters true sustainability and long-term value creation for all stakeholders.

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