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ARE ORGANISATIONS UNDER PRESSURE DUE TO ESG REPORTING?

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Abstract

One of the key global trends in development of modern organizations is sustainable development. Sustainability is not just limited to tackling environmental risk it is much more than that. With rising demands for transparency and conscious actions of corporation's corporate sustainability had to evolve. ESG is a range of criteria used by organisations to run themselves responsibly. Countries around the world promote the coordinated development of the Environment, Society and Governance in accordance with the ESG framework to attain a sustainable business environment. ESG is not just a framework, it also acts as a standard for the investors to evaluate the corporate behavior of the organisation and its financial performance. In recent times investors have shown more interest in the organisations that has performed wellon ESG. There is a positive relationship between ESG and financial performance of the corporates. Various reports suggest that businesses with strong ESG policies have been shown to have better financial performance over the long term and has also offered better returns to the shareholders than wider capital markets. Investments made considering the ESG reports has provided downside protection and helps in risk mitigation to investors in case of social or economic crisis. Therefore, organisations who gives consideration to ESG aspects have likely to have an improved corporate reputation and have gained more business. However, the organisations who have abandoned the ESG policies have started to see dip in their business and have faced reputational damages as well. It is crucial to make an organization resilient during crisis.

The research paper will explore

1. The concept of ESG and its growing significance,
2. The pressures that are faced by the corporations due to mandatory ESG reporting and,
3. Possible ways to alleviate the pressure on organizations in order to achieve balance between the 3 P's Planet, People and Profit

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OBJECTIVE

1. To understand the concept of ESG and the various global frameworks

The importance of sustainability in today's financial market cannot be overlooked. It is a non-financial performance indicator that recognises the importance of creating long term goals along with better returns to the shareholders. There has been a paradigm shift in the importance of ESG disclosures under various frameworks. In order to understand ESG applicability across the globe, it is important to understand the concept of ESG and the global disclosure framework.

2. To understand the growing significance of ESG reporting

Due to heightened awareness among the potential investors, ESG has emerged tremendously as a crucial standard of investing. According to the study done by the University of Oxford in association with Arabesque Partners, corporate investors incorporate the ESG criteria before making any investment decisions. Though ESG is not a new concept its importance has arisen in the last 5 years. Reports suggest that ESG reporting has significant impact on their business performance as well as on other operational aspects.

3. To analyse the various pressures on organisations due to ESG mandate.

ESG mandate has a significant impact on organisations' development as it helps in attracting investors, and uplifting sustainable business market for organisations. Recent years have witnessed proliferation of frameworks that has given rise to the pressure on organisations to adopt and report to the evolving ESG mandate. Non-compliance of the ESG by corporations is costing them capital, volatility, numerous challenges are been faced by the organisation. Various scandals have exposed the fact about how organizations are facing the ESG mandate pressure. The paper explains the various pressures faced by the organisations due to the ESG reporting and recommends possibilities to ease out the pressure of the organisation without compromising the ESG goals

Research Methodology

The present study has adopted the doctrinal method of research. It is also following the secondary research guidelines. The study has been divided into three parts based on the objectives sought to be achieved by the present study. The study has firstly tried to present the background of the subject matter in brief through literature review and then the major concern of the research. The study concludes with the critical analysis of the research and the author tries to recommends steps for further research and consideration.

1. INTRODUCTION TO ESG

Public perceptions of a company's position in society are changing. As a result, many investors and businesses are rethinking their strategies. Changes in business practices over the years, is almost undeniable knowledge. As economist Milton Friedman points out, in 1970. "It is the role of the company to increase profits." For the benefit of shareholders[2]. This is the basic. The idea has failed. Executives, investors, lawyers and scholars from several organizations are all involved therefore, this statement casts doubt on the term 'shareholder'. 'Primacy' is a business concept that emphasizes the importance of customers. Instead, they say, organisations must work together to serve the public good. Many stakeholders are involved, including customers. Being a supplier, worker, community and shareholder, you no longer need to focus on 'maximizing shareholder value'. With rising global trend of sustainable business in modern organizations have opened doors to many aspects of business have opened up other than generating profits. Sustainable businesses are highly appreciated as it not only helps in preservation of environment but also helps in bringing a futuristic approach in the modern organizations to deal and mitigate the possible risks in business. With rising conscious businesses now take cognizance of potential social and environmental impairment that they may possibly lead to. Organisations today acknowledge the fact that adhering to these standards demonstrate stronger corporate performance. With corporation becoming more consciousness about their operations non- financial corporate performance metrics such as ESG has risen to its significance. Although, there is no specific definition of ESG but broadly speaking it is a constellation of non-financial corporate performance metrics, as the Environment, Social and Governance concerns are so

2 Milton Friedman, "On The Social Responsibility of Business", https://www.forbes.com/advisor/investing/milton-friedman-social-responsibility-of-business/ accessed on 27th May 2022

intertwined in businesses making it the most important aspect of evaluating the corporate performance and behavior.

In ESG "E" stands for "environmental" defines the climate changes due to emissions, and possible ways to reduce the same. It assesses the impact on the natural resources due to direct or indirect operations of the company. The incorporation of Environmental criteria enhances organizations' financial performance with an attempt to make organisations resilient to the climate risks. "S" stands for "Social factors" which assesses the social relationship organisations of with its employees, labors, consumers, and communities within which it operates. It also focuses on policies of employee pay, diversity, health care, prevention against any harassment etc. The social factors provide an organizations stance on public and political issues. "G" stands for "governance" that deals with organisations internal control system values, moral conduct and leadership etc. It refers to how organisations are dispensing their activities ethically. The governance factors emphasize on decision-making factors, from the acts of policy making to effective distribution of rights and responsibilities amongst the different participants such as corporations, their board of directors, managers, shareholders, and other stakeholders. Additionally, aspects such as corruption, insider trading, corporate governance and transparency are also included within governance. This factor helps organisations to make sure their business activities are within the legal ambit.

The key idea behind ESG is that the corporations must be cautious of the impact of their activities on society and stresses on the obligation of organisations beyond profits. ESGs is inseparable from business operations as each individual element is intertwined. ESG covers a wide array of non-financial topics in order to rate the corporate performance of the organisations. ESG framework has evolved as the most important criteria for investors all around the world, therefore, it is really important to understand the ESG framework in order to positively adapt it.

2. ESG - GLOBAL INITIATIVES AND INTERNATIONAL DISCLOSURE FRAMEWORK

ESG frameworks are strategies for standardizing the reporting and disclosure of environmental, social, and governance (ESG) data. With sustainability becoming the new standard of investing, ESG has become tremendous. In order to monitor and measure the activities of the company's various regulations and standard reporting frameworks have been formulated. There is plethora of frameworks available for ESG disclosure, as there is no uniform code available for disclosures. Some of the global initiatives and international frameworks are as follows:

- **United Nations Sustainable Development Goals**: In order to achieve sustainable developments by 2030, the UN established SDG's in the year 2015. Around 17 SDG's are adopted by the UN assembly for their Agenda Sustainable Development 2030.
- **Paris Agreement**: The Paris Agreement provided the dual goal of helping the developed countries in meeting their mitigation target and to assist developing countries in achieving sustainable development. The major focus is on building a sustainable future and risk mitigation.
- **UN Initiatives**: United Nations Global Impact and GRI has released a report titled "Integrating the SGD's into corporate reporting" provides detailed and user-friendly manual for better understanding of reporting progress and prioritizing SDG targets. With this initiative it will help corporates for future ESG disclosures.
- **Sustainability, Social and Green Bonds**: It is one of the famous global initiative where such bonds whose proceeds would be used solely to finance mix projects which are social and environment friendly.

Few of the widely recognized **global ESG reporting frameworks** are as follows:

- Global Reporting Initiative (GRI): GRI was established in 1997, following the Exxon Valdez Oil disaster. It is the first global framework ensuring that businesses are operating responsibly considering the environment protection. GRI is a voluntary disclosure that allows for the quantitative and qualitative data disclosure.
- United Nations Global Impact: The United Nations Global Impact was established in 2000 with a focus on to adopt universal sustainability principles and support UN in their respective areas. The organisations are required to report as per the 10 principles derived from the international documents such as the Rio Declaration on environment and development, International Labor Organisation and United Nations Convention against Corruption.

- Sustainability Accounting Standards Board: SASB a non-profit organisation was established in the year 2011 to assist investors and businesses in developing a language that is common around the financial implications of sustainability prospects. The SASB standards is available for 77 industries.
- Integrated Reporting: The Integrated Reporting was established in 2010. The major focus of IR is developing an international recognized reporting standard.

The methodologies for measuring, collecting, and reporting distinct ESG indicators are described in these frameworks. In order to navigate and understand the ESG landscape various organisation have taken efforts to develop a universal framework by using the important and best element of all the previous frameworks. Moreover, various countries and international union emphasizes on new and standard frameworks for ESG reporting such as the European Union from 2021, the Sustainability Finance Disclosures Directive (SFDR) is intended to support the European green deal that envisions a climate neutral economy. Organisations have to disclose their sustainable economic activities. Similarly, in Germany, the Supply Chain Due Diligence Act 2021 was published the act would come into force on 2023, the major objective of the act is to safeguard human rights and the environment in the global economy more effectively. Organisations are mandated to take appropriate measures to mitigate risks on human rights and on environment. According to a study of ECGI (European Corporate Governance Institution) around 25 countries, including Australia, China had mandated the ESG disclosure between 2000 to 2007. Around 80 countries worldwide have mandated the ESG reporting requirements in order to promote a sustainable operation of businesses worldwide.

3. ESG REPORTING FRAMEWORK IN INDIA

India is the new addition to the list of countries mandating ESG disclosures. India has seen a progressive traction over the past years, with the country becoming a big market for investors around the world, the importance of ESG rose to its significance in India as well. The Ministry of Corporate Affairs in 2009 issued the Voluntary Guidelines on Corporate Social Responsibility and Insurance Regulatory and Development Authority of India as an initial step towards Business Responsibility Reporting. In the year 2013 the Ministry of Corporate Affairs mandated the organisations to carry out the CSR activities in order to promote socio-economic welfare of the society. India was the first country to mandate certain categories of organisations to carry on CSR activities. Considering the failure of the voluntary standard and disclosures by organisations the MCA, in August 2020 released a committee report stating the urgent need for change in the existing disclosure framework. Following the same the Securities Exchange Board of India mandated top 100 organisations to file Business Responsibility Sustainability Report (BRSR) based on the National Voluntary Guidelines. With NGRBC coming into picture the SEBI mandated top 1000 organisations based on their market capitalization to disclose their ESG report. From *FY 2022-2023* the SEBI has mandated the organisations to report their ESG disclosure based on the BRSR framework.

3.1 BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR) FRAMEWORK

The BRSR is a uniform framework for ESG disclosure in India. As per the latest SEBI regulation, from FY 2022-2023 is a mandatory compliance where top 1000 organisations have to make their non-financial disclosures. This framework is set up considering the nine principles of National Guidelines for Responsible Business Conduct (NGRBC) and upkeeping the United Nations Guiding Principles on Business and Human rights. **The BRSR framework is divided into three sections** detailed below:

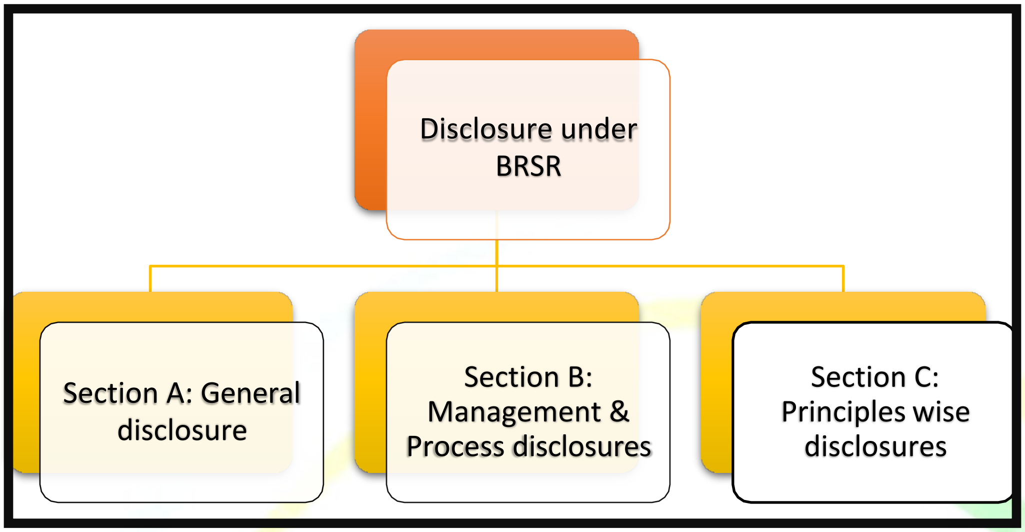


Table No.1: BRSR Disclosure framework

Section A: General Disclosures

This section deals with the listed entries, product/ services, operations and employees and transparency and disclosure compliances.

Section B: Management and Process Disclosures

This section deals with the questions related to policy and management process, governance, leadership and oversight.

Section C: Principles wise Performance Disclosure

This section elaborates the principles in aligned to the nine principle of the NGBRC and UNGP's on business and human rights

The nine principles are as follows:

Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Principle 5: Businesses should respect and promote human rights

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

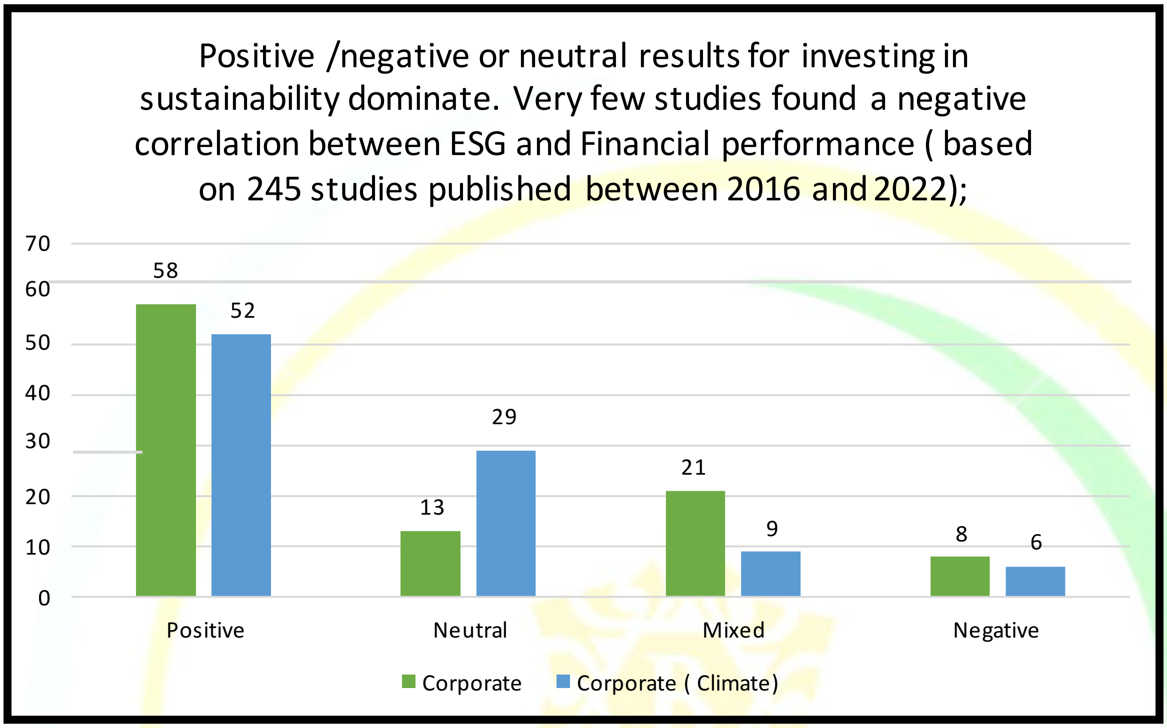
Principle 8: Businesses should promote inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

India is an active participant of global development programmes, and India is one such country that is in track with its commitment on sustainable economic development. The BRSR framework is considered too expected to meet the global standards of ESG reporting. As the framework involves various important elements such as benchmarking the best industrial practices, emphasizes more on awareness and training sessions for employees so as to as to make them understand the importance of the disclosure and to make them aware of various factors of corporate governance and standards.

4. RISING GLOBAL SIGNIFICANCE OF ESG

With corporates beginning to address the issue of sustainability by evaluating the resources Growing focus of long-term goals and impacts are coming to significance. As per the reports of *NYU Stern Centre for Sustainable Business and Rockefeller Asset Management*, report on relationship between ESG and financial performance and KPMG and HKICS Survey on Environmental, Social and Governance (ESG), **t**here is a strong and *positive relationship between ESG and financial performance* ***o***f the organisations, it can be derived from these reports that there is improvement in the financial performance of the organisations due to ESG, as ESG integration has helped organisations to perform better and appears to protect investors from any sort of social and economic crisis. The chart below explains the positive relationship between ESG and Financial performance of a company.



Source: NYU Stern, ESG & Financial relation report.

Table No.2 – Study on Relationship between ESG and Financial performance of organisations

It is visible that the sustainability initiatives have helped in driving the performance of the organisations by mitigating the possible future risks and alerting the organisations as well as the investors from such crisis. A recent research conducted by Harvard Law School Forum on Corporate Governance suggested that "people may choose not to invest in a firm that has poor ESG, thereby limiting its access to capital and raising its cost of capital. ESG has also helped organisations to unlock their potential and has accepted the urgent need of considering theimpact of businesses on environment, society and economy. The significance has raised in such away that ESG been a non- financial disclosure helps is proving more significant in attracting investors. Reports suggests that the investors are moving toward responsible investing.[1] As per the report by Mckinsey, Corporates are benefiting from the rising significance of the non - financial metric as it is helping to retain better talent, opening more avenues as with a strongESG propositions organisations are expanding

[1] "Bergman, Deckelbaum, Karp, Weiss, Wharton & Garrison" Introduction to ESG, https://corpgov.law.harvard.edu/2020/08/01/introduction-to-esg/

their market, reducing legal complexities for the organisations etc. Understanding the ESG landscape many organisations today are providing road map towards sustainable business, such as Tech Mahindra, Tata Group, Reliance, Infosys, Wipro are few of the organisations that has committed towards green business by emphasizing on various aspects such as tracking their emissions, being compliant to environmental law, implementing the carbon management program and spread awareness about the sustainablebusiness through campaigns etc.

5. PRESSURES ON ORGANISATIONS DUE TO ESG REPORTING

ESG mandate has a significant impact on organizations' development as it helps in attracting investors, uplifting sustainable business market for organisations, however recent years have witnessed proliferation of frameworks that has given rise to the pressure on organisations to adopt and report to the evolving ESG mandate and non-compliance of the ESG by corporations is costing them capital, volatility, numerous challenges are been faced by the organisations. Various scandals have exposed the fact about how organisations are facing the ESG mandate pressure. There are various challenges faced by the organisations due to the ESG mandate such as (i) Plethora of disclosure framework (ii) Authenticity of data (iii) Lack of awareness among people (iv)Fragmented ESG ecosystem (v) Analyst interference. Considering the challenges posed by the ESG mandate on organisations has exerted a lot of pressure on the organisations. These pressures can be categorized under two broad heads that is (1) External Pressure and (2) Internal Pressure.

1) EXTERNAL PRESSURE	2) INTERNAL PRESSURE
• Climate Change	• Operational Pressure • Lack of standardisation • Understanding stakeholder landscape • Cultural shifts
• Pressures from consumers & shareholders	• Moral and Ethical Commitment
• Regulatory pressure	
• Pressure from competitors	
• Pressure due to ESG litigation	

1) EXTERNAL PRESSURE

External pressures are the pressure that the organisations face due to external factors such as climate change, investors and consumers demand, strict regulations, peer industry competitive pressure and litigation due to noncompliance. These pressures are detailed below.

- **Climate Change**: Climate Change has a great impact on businesses, as it effects every possible aspect of business operation. It imposes serious pressure on organisations with regard to cut their environmental impact as consumers and shareholders rising demand for green products, hence creating series of new business risk. The Volkswagen Diesel Emission Scandal, is one of the landmark case on the corporation failure in keeping up with its statement of environment protection. The German car manufacturer deceived the authorities for profits and has brought a serious concern of lack of business ethics by the organisation. This incident has led to an immense surveillance by the consumers & shareholders on the activities of the organisations on the environment[2]. As per the European CFO survey report (2019), shows that organisations are feeling pressure form stakeholders. The degree to which organisations are perceiving pressure varies greatly. According to survey report around 70% of the organisations face pressure from organisations and clients. Many of the world's biggestorganisations such as Google, Amazon, Ikea are failing to meet their targets on tackling the pressure posed due to climate changes alleges the Corporate Climate Responsibility Monitor 2022. It is also evident that organisations' climate pledge is also a program as there is a large gap between what organisations pledges and what it delivers. Below mentioned graph explains the pressure on organisations to act on climate change from the shareholders.

[2] Russell Hotten, " Volkswagen: The Scandal Explained, https://www.bbc.com/news/business-34324772

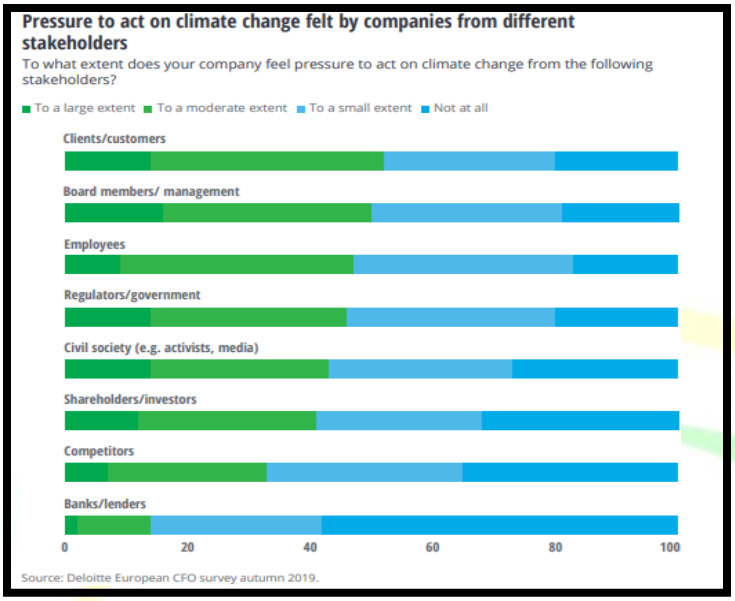


Table No.3 – CFO Autumn survey 2019 on climate change as a pressure on organisations

- **Pressures from consumers and shareholders**: One of the most important external drivers of green innovation is the consumers. With more customer awareness about the sustainable business, the demand from eco-friendly product is putting more pressures on organisations. Organisations are under continuously pressure to please the green audience and the shareholders by to adopt the sustainable behaviors, that has minimum impact on the environment. Moreover, as per the NYU Stern report, investors don't wish to invest in an organisation that does not have good ESG rating in order to adopt an entire new business operation and be on top of ESG rating requires more capital, hence pressuring organisations to pool capital for a no-profit practice.

- **Regulatory Pressures**: Another external pressures on organisations is due to the regulations posed by the governments, the international regulating bodies such as the International Labour organisation, United Nations etc. Government across the world are pushing organisations to do mandatory ESG disclosure unleashing a complex reporting style challenge that many businesses, assets managers and banks have to address. Mandatory compliance of ESG reporting made it difficult for the organisations as it is hard to collate and analyze data. Organisations are forced to invest more on the business metrics. Due to the complexity posed due to lack of standardized framework, the organisations are forced to get the external advice. Businesses incurred costs while seeking advice and support to comply to complex regulations. Moreover, number of other cost burden on organisations apart from outsourcing help include, new equipment, new products, membership fees to industry bodies setting standards and licensing fees. As per reports businesses finds these costs problematic as larger portion of their turnover has been invested in complying with the regulations. Apart from incurring cost by the businesses due to regulatory pressures, the time burden of complying with the ESG mandate is exerting more pressure on organisations. It was often perceived that the time spent on complying the regulations was the time taken from winning the business, developing the business and serving the clients, for larger business this means redeploying the workforce, ultimately leading to wasted capacity and more frustration among the employees of the organisation[3].

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3 R Mukund "It's Not Just An Obligation:ESG Compliance Should Be Good For The Bottom Line" https://www.forbes.com/sites/forbestechcouncil/2021/12/13/its-not-just-an-obligation-esg-

- **Pressures from competitors**: Any act from a prominent competitor creates pressure on all firms of the industry. The standardised procedure by the industry association create more competitive pressure on firms. In order to be in the competition organisations, land up in malpractices such as false marketing, false branding, manipulating their data, leading organisations to damage the environment and their reputation as well.

- **Pressure due to ESG litigation**: In the past decade there is a growing appetite of ESG information, which has subjected the organisations ESG disclosure under extreme scrutiny and has spawned litigation. ESG litigation has largely focused on claustrophobic environment events, human rights violations by organisations and may more. The repercussions of non-compliance of ESG reporting leads to array of ESG litigation. The pressure on organisations to upward their financial performance is to prevent any form of ESG litigation. Litigants have aggressively alleged that organisations' statements about their ESG performance are misleading. As inaccurate ESG disclosure subjects' organisations to litigation risks. Disclosure litigation brought by consumers, shareholders and government authorities has substantially harmed organisations' reputation. Thus, growing the pressure on the company for more ESG information, demanding the organisations to provide hundreds of pages of information in rage of reports, performance and filings. Due to the ESG reporting mandate consumers are taking a hard look on organisations ESG reports and other publicly available resources of company to fortify liability and use their statements on ESG against them. Therefore, the ESG reporting mandate has intensified the litigation risks on organisations and has also escalated the fear to perform well in the non-financial performance indicator

2) INTERNAL PRESSURES

Internal pressures are the pressures faced by the organisations due to internal factors such as resources, organisational capabilities and managerial sensitivity. Internal pressures include:

- **Operational Pressure**:
  - **Lack of standardization**: It provides an operational burden on an organisation. One of the biggest pressures on organisations is understanding disclosure

framework, as there is ***no uniform code*** of disclosures, with every disclosures line of focus been different, induces more pressure on organisations to spend more on outsourcing and ultimately making it difficult for organisations to effectively disclose their non-financial performances.

- **Understanding stakeholder landscape**: Apart from that another biggest operational pressure on organisations is monitoring ***stakeholder landscape*** right from their investors, down to front line employees and consumers. The pressure is to build a predictive model indicating how to adhere to compliance and mitigate future risks.

- **Cultural shifts**: The volatile situations and external pressures make it difficult for organisations to withstand. Culture plays a crucial role in an organisation's smooth operation. Organisations that seek to adopt innovative and sustainable culture change is the most challenging part. The pressure on organisations to adopt a complete ***cultural shift*** causes more stress on organisations as innovation demands new behaviour from the leaders and employee, that are more focused on operational excellence and efficiency. Moreover, it requires restructuring of the entire internal management, right from establishing new system of operations adoption of new technology to enhance the reporting system and train the employees to understand the non-financial indicators, this ultimately leads to financial pressure on organisations for arranging more Capital expenditure and operational expenditure. ESG implementation in organisations requires proper infrastructure and proper strategies as well. Cultural shifts cannot be achieved by a mandate from top to bottom, it is more of a habit of the people and their shared perception of understanding of how the organisation operates.

- **Moral and ethical commitment**: Organisations are under constant pressure to balance of pursuing market opportunities and maintain ethical integrity. This has arisen due to failures of corporate governance and business ethics in the global financial crisis. The ESG mandate has further heightened the pressure to disclose, perform forcing organisations to comprise their ethical and moral commitment. In order to keep up with the trend of reporting and performance targets organisations cut the corners and violates policy and law even employees of the organisation in order to achieve targets and to please their superiors report inaccurate data. This has led organisations to suffer severe reputational damage and presents deceitful data this practice is also known as greenwashing. The firms that fails to meet the disclosure standards gets involved in greenwashing practices which is an unethical business practice. Ethics is a very complex phenomenon, and ethical decisions in business are difficult. The biggest challenge is if such unsustainable actions are gone unchecked could result in severe environmental and financial loss to the organisation and to the nation as well

6 Critical Analysis of Pressure on Organisations Due to ESG Reporting

Considering the above-mentioned studies, it can be understood that organisations are facing these undue pressures due to ESG reporting mandate, bringing them on the cross road of ethics or business. Ethics is a very complex phenomenon, and ethical decisions in business are difficult as practical business decisions are beyond just yes or no. In order to keep up with the trend of reporting and performance targets organisations cutting the corners and violating the policy and law, even employees of the organisation in order to achieve targets and to please their superiors, report inaccurate data. This has led organisations to suffer severe reputational damage. Organisations constantly experience the pressure of performance against peers in the same field and failure to display improvement negatively impact the investment prospects. With the rise in sustainable business and rising significance of ESG disclosure, organisation is using the vague terminologies for personal benefits resulting in greenwashing. Green washing is a serious concern as it has negative impact not only on the investments, and capital of the organisation but it also impacts the social fabric as well, it has a negative impact on investor and consumer confidence in environment responsible firms. The biggest challenge is if such unsustainable actions are gone unchecked could result in severe environmental and financial loss to the organisation and to the nation as well**.** It is ethically wrong to deceive the investors using false data. Organisations should take make their disclosures sufficiently fulsome and accurate. Therefore, it is very important for organisation to stick to corporate ethics, by ensuring that such competition should not negatively impact any shareholder and most importantly the environment. Organisations should consider ESG as a value creator, considering the value creation in ESG context it is usually about building connections with broader ecosystem of society and potential investors. For beginners, it builds resilience into the business model but on the contrary compromises with all resources for the short-term goal, hence destroying the inherent value of ESG. As ethics is considered to be the backbone of an organisation and an organisation that does not comply to basic business ethics is an absolute failure. Businesses in long term need to focus on adding value using the non- financial indicators in satisfying the consumer, shareholder and communities need. According to the Deloitte Centre for Financial Services report, that investment managers are likely to respond to the demand by launching two hundred ESG funds by 2023. Therefore, it is extremely important for organisations to settle such ethical failures in order to pursue better ESG integrations and should understand and focus on solution to ease the pressures faced by them due to ESG mandate. With conscious effort organisations can get access to new revenues and better investment prospects, hence leading to greater development for themselves and to the communities they operate in.

7 CONCLUSION & RECOMMENDATIONS

The rising importance of ESG has broadened the ambit of investment and business operations in the world, but with rising significance of the framework, the pressure is equally exerted on the organisations to perform, as most of the time it gets difficult to stick to compliance because of which the business suffers. It is very important to have a coordinated effort to reduce the pressure on the planet at the same time to ease the pressure on organisations. The ESG framework is the best way possible to keep a track on how organisations are growing more conscious towards their actions on the environment. Organisations with good ESG rating are shown to have outperform the organisations with bad ratings. There are several lacunas in the existing framework worldwide. There is a strong need of comprehensive framework for ESG reporting to measure from a standard baseline. Also, it is important to make this disclosure corporate friendly in order to prevent any unethical and fraudulent disclosure. It is important to for organisations to have an efficient ESG strategy not just for compliance management but it has to be incorporated into company's long-term business strategies. The organisations have to have an oversight for the ESG strategy in order to combat the sustainability issue. ESG reporting has to be baked into a company's organisational culture in order to make it a success for both the company and to the planet. Also, it is the duty of the regulators to make sure the disclosure frameworks are not too complex for an organisation to adhere. Also, major emphasis has to be on spreading awareness about ESG reporting, through conducting ESG training session in organisations proactively as this will help in spreading the equivalent among others. Today ESG represents about one quarter of all professionally managed assets around the world, making it a significant element of decision making and making use of the opportunity it provides for organisations will benefit them. With effective implementation and constant monitoring of the activities of the organisations the target of a sustainable green business environment can be achieved.

Following are some specific recommendations to organisations:

1. The organisations have to have an oversight for the ESG strategy in order to combat the sustainability issue. This will help organisations to foresee the future risks and to mitigate the same.
2. In order to get the best outcome of the ESG reporting organizations must formulate an effective ESG strategies, that will enable them to stay on of the disclosure standard. An effective ESG strategy will aid an organisation to combat the sustainability issue in time.
3. Organisations must plan the proper budget allocation for ESG reporting infrastructure and other requirements. With proper budget allocation will prevent companies from future pressure caused due to deficient of funds.
4. In order to achieve maximum disclosures from organisations, there is a strong need of a uniform ESG disclosure framework, that simplifies the process of disclosures.
5. Compulsory training in organisation to train employees about the procedure of ESG disclosure. More awareness is required in the field of ESG, with proper training, will help organisations and its employees in better understanding and importance of the disclosure.
6. Statutory authorities must review the ESG regulations regularly. It is very important to make sure that the statutory authorities timely update the framework in order to get the best of the results.

7. Awareness sessions to be conducted by the regulators to help organizations understand the working and importance of ESG and how effectively they can contribute towards a sustainable and green economy.

8. Encouragement is the key, due recognition to be given to the organisations who adhere to the regulations in order to promote participation

9. Constant monitoring of the company's activities by the regulators. Strict monitoring is required in order to keep a check, whether the organisations are honestly making the disclosures and not opting any sort of unethical business practices

10. Co- ordinated efforts by both government authorities and organisations to attain harmonious construction between Planet , People and Profit.

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