

Environmental, Social and Governance (ESG): A step ahead of the CSR

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Abstract:

Purpose/objective: The purpose of this research paper is to evaluate how far ESG reporting initiatives of public and private sector companies ahead over the corporate social responsibility (CSR) initiatives for sustainable business and betterment of society.

Theoretical framework: The study is based on Environmental, Social and Governance (ESG): A step ahead over CSR initiatives' a comparative analysis between public and private sector companies operating in Odisha region. Researcher analysed to what extent ESG makes assessment of CSR practices of corporate sectors through integrating Environmental, social and governance factors keeping in the mind of interest of investors and stakeholders.

Design/Methodology/Approach: The study is empirical in nature companies three years of data (2020-21 to 2022-23) covering 10 companies whose commercial operation in Odisha region. Researcher adopted purposive sampling method for selecting companies on the basis of availability of sustainability report. Researcher used content analysis and descriptive tools for analysis and interpretation of observations.

Findings: The end result of this research paper reveals that both public and private sector CSR initiatives have found variation and also not following ESG reporting initiatives according to Global Reporting Initiatives (GRI) ESG has no significance without CSR practices by corporate sectors.

Research, Practical and Social Implications: ESG is a financial analysis tool to make assessment of three metrics: Environmental, Social and Governance factors of companies sustainability. Meanwhile till now ESG reporting is not mandatory & transparency in part of financial reporting. ESG approach helps to companies in achieving objective of sustainability, creation of long-term benefits and achieves investors' perceptions towards investment decision criterion.

Originality/Value: The present research paper Environmental, Social and Governance (ESG): A step ahead over CSR have a universal or global significance for achievement of investors and well being of all stakeholders. Adequate integration is needed between CSR and ESG approaches with the aim of accumulation of Natural, Human and Economic capital for sustainability of society.

Keywords: Environmental, Social, Governance, CSR, ESG, Public & Private Sector Companies

Introduction:

The acronym 'ESG' stands for Environmental Social and Governance factors used in assessment of corporate sustainability and also evaluation of corporate social responsibility performance. ESG concept was first conceived by the United Nations Principles for Responsible Investment (UNPRI) in April 2006. It is a sustainability evaluating technique which integrates Environmental, Social and Governance parameters into business and makes corporate sectors sustainable in the long-run and built confidence in mind of investors and stakeholders for taking investment decision. ESG is also called barometer of investing assessment. CSR is simply a business strategy to contribute voluntary or mandatory for the well-being of society. ESG is step ahead of CSR in the sense that ESG is a measuring device of CSR initiatives of a corporate sector. ESG concept as the part of financial analysis used to evaluate corporate, Natural, Human (social) and Economic capital. Both the companies and SEBI regulations, 2015 recognize the importance of ESG.

"A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment."

-Section 166(2), Companies Act 2013

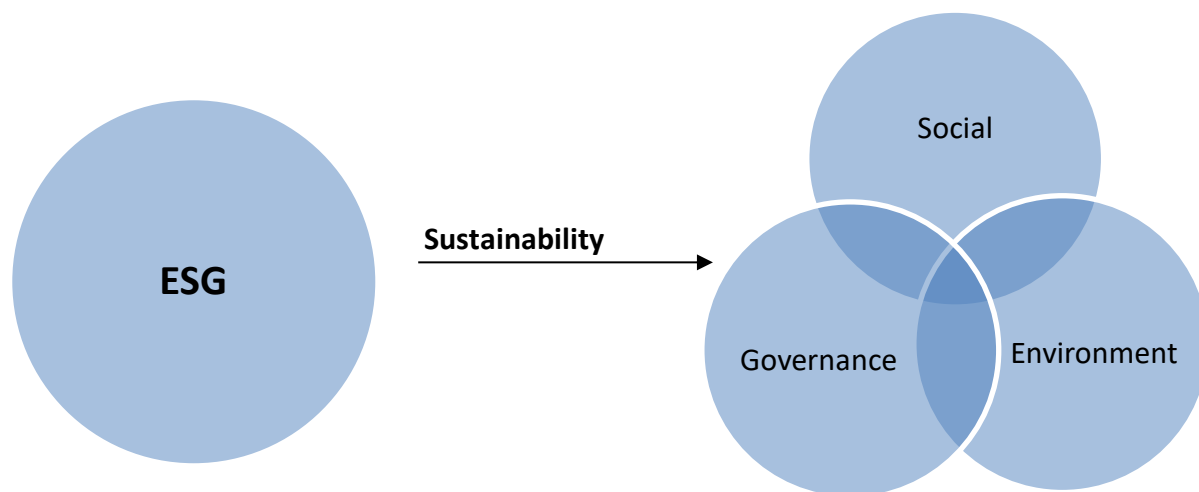
“Members of the board of the directors shall act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the listed entity and the shareholders”

-Regulation 4(2)(+)(iii)(3) of SEBI Listing Regulations

ESG Concept is the driver of CSR Practices and possess three elements gained to evaluate because of climate change, deteriorating ecosystems and evolving stakeholders expectations. From this point of view ESG plays vital role to diagnose the three concepts.

- (a) Environmental- it consists of physical and biological components of the universe and includes Air emissions, waste reduction, climate change action, bio-diversity etc.
- (b) Social- Social is the mechanism by which we ensure corporate organisation operating within the society and have responsibility to take care of all stakeholders like employees, suppliers, customers and the broader communities.
- (c) Governance: Governance is the rules of engagement which consists of corporate governance practice based on company's leadership ethics and transparency. It includes elements such as excellence of board governance, Government compensation, anti-corruption measures and shareholder rights.

In a nutshell: CSR+ESG= Better Business + A Better World



Source: ESG- Sustainable Investment Group (singearth.com)

Evolution of ESG from CSR:

The concept Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) is coincide initiatives of corporate sector requires analysis to have positive influence on the world. Both the concepts are same but used interchangeably. CSR is termed as Triple-Bottom-Line approach concerned with companies contributing some part of profit towards the interest of society voluntarily or mandatorily. While ESG is a tool of sustainability assessment of corporate performance with respect to Environmental, Social and Governance metrics to evaluate the corporate performance towards betterment of investors and other stakeholders ESG related decision making. The following are difference between CSR and ESG.

Sl. No.	CSR	ESG
I	CSR is the business strategy whereby corporate sector contributing some part of profit for the betterment of society.	ESG is a measuring technique to evaluate corporate sustainability using metrics.
II	CSR does not involve any parameters of investors requirements.	ESG measurement involves parameters; Environmental, social and governance.
III	CSR practices external in nature for a business organisation.	ESG integrate internally among Environmental, Social and Governance factors of business.
IV	The aim of CSR is to create positive impact for the society thereby improving brand image of corporate sector.	The aim of ESG is to measure sustainability worth of a corporate sector for taking decision.
V	CSR measurement is very broad and qualitative.	ESG uses three parameters both qualitative and quantitative metrics.
VI	Without CSR, there would be no ESG.	ESG is measurement device of CSR initiatives of corporate sector.

Review of Literature:

1. Alesya Bukreeva and Sergei Grishunin (2023) were studies on Estimation of impact of ESG practices, performance and their disclosure on company's value. The aim of their research is to understand what type of ESG practices factors influence value of companies from oil and gas and industrials sector of the company in developed capital markets. The end result of their study was that investors do not have positive attitude over corporate performance or ESG disclosure reporting initiatives. They suggested that companies should build an ESG strategy to raise investors loyalty and improve financial performance.
2. M.C Branco (2023) studies "CSR research in corporate finance: a comment on Gillan et al" firms and social responsibility: a review of ESG and CSR research in corporate finance. The aim of the research article is to provide critical analysis of current literature review relating to ESG and CSR or corporate sustainability reporting practices on area of finance. The findings of this study was that newcomers (researcher) should not be used to the research on CSR in corporate finance because of business.
3. Marietta Shapsugova (2023) examined ESG principles and social responsibility. The purpose of this study is to make critically examines the relationship between ESG principles into CSR strategies within the contemporary corporate landscape. The end result of this provides an in-depth understanding of how corporations can navigate challenges thereby aligning their operations with sustainable development goals. And influencing societal impact. Research suggested that there is need for harmonisation between ESG reporting and regulatory frameworks.
4. Leonidas Efthymiou, Ambika Kulshrestha & Sandeep Kulshrestha (2023) were conducting a study on sustainability and ESG in the service sector in India. The aim of their study was that application of tools helps in measurement of sustainability performance brings both positive and negative effects on sustainability towards stakeholders. Researchers were suggested that corporate sectors are facing more challenges in implementing ESG initiatives.
5. Magdalena KAZMIERCZAK (2022) conducted a study on a literate review on the difference between CSR and ESG. The main of study is to review the literature on Corporate Social Responsibility and Environmental, Social and Governance. The end output of this research is that both concept of CSR and ESG are complementary, need assembled not only organisation point of view but for the betterment of community and society as whole.
6. Dr. Abhishek Singh & Nisha Kapoor (2022) were conducted a research CSR and ESG- Journey towards Sustainable Development Goals. The objective of their study was to bring forwards the sustainability reporting in India. They examined that what extent CSR contribution link with ESG reporting practices as well as Business Responsibility and Sustainability Reporting (BRSR).
7. Hadiqa Ahmad, Muhammad Yaqub & Seung Hwan Lee (2023) were analysed on Environmental-Social and Governance related factors for business investment and sustainability. The aim of this paper is to review factors like ESG Policy, economic performance, environmental sustainability, corporate social responsibility etc. The end result of their research is that social environmental performance have positive relationship with business sustainability indicating that business economy and value creation are mutually dependent.
8. Neetika Ahuja and Vasudha (2022) were conducted a study on Introduction to Environmental, Social and Governance (ESG) Disclosures in India and explained on successive stages of development of ESG and its parameter and also

discussed on importance of Business Responsibility and Sustainability Report. The aim of this article is to explain the general guidelines to the subject matter of ESG. They suggested that ESG reporting is not confined to only limited listed companies but should be concerned more and more companies for the better of stakeholder assessment.

9. Lerzan Aksoy, Alexander John Buoye, Maja Fors, Timothy Lee Keiningham and Sara Rosengren (2022) in their research paper on Environmental, Social and Governance (ESG) metrics do not serve services to customers. The aim of this study is to discuss various challenges for service enterprises supply ESG efforts to customers. Researchers were made study on more than 100 firms and found that ESG metrics and reporting do not suffice to explain customer perception of social innovativeness.
10. Dr Marinal Gaurav and Quiser Aman (2022) in their article entitled “A study of Environmental, Social and Governance (ESG): The evolving metrics considering people and planet” tried to present a comprehensive summary concerned with theoretical aspect of ESG, its factors, and role in influencing investors, indicators used in ESG rating, and its impact and importance for the corporate world.

Research Gap:

Based on careful and thorough investigation of literature, researcher observed following intervals to drive his vehicle of research.

- All the investigations on CSR and ESG based on national and international level.
- CSR Practices and measured by ESG study insignificant.
- Comparative analysis between Public and Private Sector Companies on CSR and ESG is almost intangible.

Thus keeping in above research interval in mind, researcher has decided to make an investigation on the topic Environmental, Social and Governance (ESG) – step ahead of the CSR.

Statement of the Problem:

Environmental, Social and Governance (ESG) are triple dimensions used to evaluate corporate sustainability and social responsibility performance. Corporate Social Responsibility (CSR) is simply corporate contribution for the well-being of society. While ESG act as parameter to measure the corporate performance on CSR initiatives keeping in mind stakeholder ESG- related decisions. ESG determines to what extent a corporate sector works for the society and generate sustainable value. ESG is not simply a reporting instrument of a company but a metric that useful for shareholders, investors, creditors and regulators in evaluating corporate performance. ESG is called Investment decision making therefore ESG is a useful decision for measuring an organisation’s Environmental, Social and Governance practices and the risk associated with each of these areas:

Corporate Social Responsibility	Sustainability	ESG
• Stakeholder Engagement • Ethics & Justice • Philanthropy • Community • Employees • Wellness	• Energy & Water Efficiency • Indoor Environment Quality • Waste Management • Site & Pest Management • Green Cleaning • Purchasing	• Management & Reporting • Building Performance • Investment Value • Corporate Governance • Resilience

Researcher has formulated following questions to present the real shape in his study:

- (I) To what extent CSR have relation with ESG
- (II) To examine matter of impact of CSR and ESG reporting in business strategy.

Relevance of the Study:

In India ESG reporting practices have been made voluntary since 2021-22 but from 2022-23 it will be made mandatory for the top 1000 listed company by market capitalisation under a new design of disclosed i.e. Business Responsibility and Sustainability Report (BRSR)- SEBI. 2021. ESGs play a step ahead of CSR practices because of:

- Relevant with measurement of corporate financial performance and investment decision.
- Meeting stakeholder expectations on corporate responsibility.
- Ensuring regulatory environment to make corporate accountability.
- To play crucial role in risk management by corporate governance.
- Encourage corporate sector to meeting all challenges and building stakeholders relationship.

Objectives of the Study:

- (I) To assess CSR initiatives undertaken by public and private sector companies in Odisha.
- (II) To identify ESG reporting practices by public and private sector companies in Odisha.
- (III) To examine and evaluate which parameter are followed by corporate sectors for ESG reporting.

Hypothesis of the Study:

- (I) **H₀**: There is no significant difference between CSR initiatives of Public and Private sector companies in Odisha.
- (II) **H₀**: there is no variation of ESG reporting practices between the corporate sectors in Odisha.
- (III) **H₁**: Both public and private sector companies reporting ESG parameter according to GRI guidelines.

Research Methodology & Materials:

a. Selection of Sample:

Researcher has using purposive method of sampling for selecting corporate sectors which have been following ESG reporting practices according to Business Responsibility and Sustainability Report (BRSR). There are 10 (Ten) companies were selected for the study i.e. 5 (five) each from Private Sector Companies whose operation in state of Odisha. These sample companies are included in Power, Aluminium, Oil & gas, Mineral ores, Coal, Steel, Fertilizer, Paper, Ferrochrome etc.

Table-1 List of Sample Public and Private sector companies

Sl. No	Public Sector	Area	Sl. No	Private Sector	Area
1	Mineral & Metal Trading Corporation (MMTC)	Mineral Ores	6	Indian Metal Ferro Alloys Ltd. (IMCA)	Ferrochrome
2	National Aluminium Company Ltd. (NALCO)	Aluminium & Power	7	TATA Steel	Steel
3	National Thermal Power Corporation (NTPC)	Power (Coal based)	8	Vedanta Ltd. (VEDL)	Aluminium
4	Indian Oil Corporation Limited (IOCL)	Oil & gas	9	J.K Paper Ltd	Paper
5	Mahanadi Coal Fields Ltd (MCL)	Coal	10	Paradeep Phosphates Ltd. (PPL)	Fertilizer

Parameters:

Table-2: Selected ESG Parameters and its GRI standards for the study

A. Environmental Dimension (300)	1. Materials (301)
	2. Energy (302)
	3. Water and Effluents (303)
	4. Bio-diversity (304)
	5. Emissions (305)

	6. Waste (306)
	7. Environmental Compliance (307)
	8. Supplier Environmental Assessments (308)
B. Social Dimension (400)	1. Employment (401)
	2. Labour Management Relations (402)
	3. Occupational Health & Safety (403)
	4. Training & Education (404)
	5. Diversity & Equal Opportunity (405)
	6. Non-Discrimination (406)
C. Governance Dimension	1. Corporate Governance
	2. Risk Management
	3. Digitalization
	4. Responsible Supply Chain
	5. Stakeholder Management
	6. Product Stewardship
	7. Data Privacy and Cyber Security

Source: <https://www.globalreporting.org> & corporate sustainability report

b. Source of Data Collection:

The present study is based on secondary data. These data have been collected from the Annual Reports, ESG reports, CSR reports and other reports published by the corporate sectors as well as Govt. Publications and web-sites.

c. Period of the Study:

The present research study is based on data from the period 2020-21 to 2022-23.

d. Tools and Techniques used for the Study:

The research paper “Environmental, Social and Governance (ESG): A step ahead of the CSR” is empirical study. Researcher has been used content analysis techniques as well as Descriptive Methods for evaluating ESG practices by corporate sectors whose commercial operation existing in Odisha region.

Data Analysis:

Table-03 showing Net profit and CSR Expenditure of Public and Private companies

Sl. No	Corporate Sectors	N/P 2020-21	N/P 2021-22	N/P 2022-23	Avg. N/p 22-23	2% Avr	CSR Exp 2022-23
	Public Sectors						
1	MMTC	770	-248	1076	426	NA	NA
2	NALCO	1300	2952	1544	1832.2	366	3015
3	NTPC	13770	16282	17197	15500	310	315
4	IOCL	21762	24184	8242	17553	351	264
5	MCL	9310	11396	13425	9784	197	208
	Private Sectors						
6	IMFA	167	508	226	274	5.48	18.14
7	TATA STEEL	16695	33011	15495	22846	457	481
8	VEDL	10503.00	17245.00	1875.000	1875.000	37.50	138.12

9	J.K. Paper	322.19	511.09	885.33	626.03	12.52	12.67
10	PPL	223.46	397.84	303.68	377.16	7.54	6.70

Source: Annual Reports of the companies (2020-21) to (2022-23)

Table-03 represents companies Net Profits, Average Profits, Two percent of Average net profit and CSR expenditures incurred by sample companies from the period 2020-21 to 2022-23. It is observed that Public sector companies NALCO, NTPC and MCL spending more profit than two percentage of average net profit as mandatory under section 135 of Companies Act, 2013.

Similarly, Private sector companies IMFA, TATA STEEL & J.K. Paper has been spending more amount of average profit as compared to Vedanta and PPL.

Table-04 Showing CSR thematic activities undertaken by Public & Private sector companies

Sl. no	Thematic Area	Era of hunger	Pro Edu	Pro G/E	Env. Sus	Art, Sports Culture	Support war	Rural	Cont. PM	Cont to	Rural Dev	Slum Dev	Dist
	Public Sector Companies												
1		N	Y	N	N	Y	N	N	Y	N	Y	N	N
2		N	Y	N	Y	N	N	Y	Y	N	Y	N	N
3		N	Y	Y	N	N	N	Y	Y	N	Y	N	N
4		N	N	N	Y	N	N	N	N	N	Y	Y	N
5		N	Y	N	Y	N	N	N	N	N	Y	N	N
	Total	0	4	1	3	1	0	3	3	0	5	1	0
	Private Sector Companies												
6		Y	Y	Y	Y	N	N	Y	Y	N	Y	N	N
7		N	Y	N	N	N	N	Y	Y	N	Y	N	N
8		N	Y	Y	Y	Y	N	Y	N	N	Y	Y	N
9		Y	N	N	Y	N	N	N	N	N	Y	N	N
10		Y	Y	Y	Y	Y	N	Y	Y	N	Y	N	Y
	Total	3	4	3	4	2	0	4	3	0	5	1	1
	Public Sector %	0	40	10	30	10	0	30	30	0	50	10	0
	Private Sector %	30	40	30	40	20	0	40	30	0	50	10	10

Source: Annual reports of companies (2022-23)

Table-04 Showing CSR thematic activities undertaken by selected public and private companies whose commercial operation in Odisha. The thematic areas include Eradication of Poverty & Hunger, Promoting Education, Promoting gender and equalities, environmental sustainability, promoting sports & culture, support to war widow, Rural sports, contribution to PMNRF's, Technology Incubators, Rural development, Slum area development and disaster management etc.

Researcher assigned '1' for participating and contributing in the CSR activities and '0' (Zero) for non-participating CSR Activities. It is observed that both public and private sector companies having similar role in contributing CSR activities in areas of Education, PMNRF's rural development. Overall is found that private sector companies are extensively involvement in environmental action and rural development. It is also revealed that there is positive association (co-efficient of correlation = 0.712) of CSR initiatives between two sector companies in Odisha region.

Table-05 CSR thematic area of Expenditure by Public and Private sector companies

Sl. No	CSR Thematic Areas	MMTC	NALCO	NTPC	IOCL	MCL	MFA	TATA	VED.	J.K Paper	PPL
1	Eradicating Hunger & Poverty & Healthcare 36%	NA	142	113	95	75	06	173	50	05	03
2	Promoting Education 25%	NA	99	79	66	52	05	120	35	03	02
3	Promoting Gender Equality & women Empowerment 2%	NA	08	06	05	04	0.36	08	03	0.26	0.14
4	Environmental Sustainability 7%	NA	28	22	18	15	1.26	34	10	0.91	0.49
5	Development of Art, Culture & Heritage 2%	NA	08	06	05	04	0.36	08	03	0.26	0.14
6	Supporting to war widows 2%	NA	08	06	05	04	0.36	08	03	0.26	0.14
7	Promoting rural sports 2%	NA	08	06	05	04	0.36	08	03	0.26	0.14
8	Contribution to PMNRF's 7%	NA	28	22	18	15	1.26	34	10	0.91	0.49
9	Contribution to Technology incubators 2%	NA	08	06	05	04	0.36	08	03	0.26	0.14
10	Rural development 9%	NA	36	28	24	19	2.0	43	12	1.17	0.63
11	Slum Area Development 2%	NA	08	06	05	04	0.36	08	03	0.26	0.14
12	Disaster Management 4%	NA	16	12	10	08	0.72	19	06	0.52	0.28
	Total	NA	395	315	264	208	18	481	138	13	07
	Average	NA	32.9	26.25	22	17	1.5	40	11.5	1.08	0.58
	Ranks	NA	2	3	4	5	7	1	6	8	9

Source: CSR reports of companies 2022-23

Table-05 reveals CSR thematic area of expenditure between public and private sector companies in Odisha. It is observed that public sector companies NALCO (32.9) and Private Sector companies TATA STEEL (40) which have maximum average expenditure in CSR thematic areas as compared to other corporate sectors. Similarly, public sector companies MCL (17) and private sector companies PPL (0.5) which have minimum average expenditure as compared to other sector companies in current financial year 2022-23 in Odisha.

Table-06 Showing Environmental parameters (300) reporting by Public and private sector companies

(2020-2021)

Sl. No		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		(301)	(302)	(303)	(304)	(305)	(306)	(307)	(308)
	Public Sector Companies								
1	MMTC	✓	✓	✓	✓	✓	✓		
2	NALCO		✓	✓	✓	✓	✓		
3	NTPC	✓	✓	✓	✓	✓	✓		
4	IOCL				✓	✓			
5	MCL	✓	✓	✓	✓	✓	✓		
	Private Sector Companies								
6	IMFA	✓	✓	✓	✓	✓	✓	✓	
7	TATA STEEL	✓	✓		✓	✓	✓	✓	
8	Vedanta	✓	✓	✓		✓	✓		✓
9	J.K. Paper		✓	✓	✓	✓		✓	
10	PPL	✓	✓	✓	✓	✓	✓		✓
	Total	7	9	8	9	10	8	3	2
	%	70	90	80	90	100	80	30	20
	Rank	(4)	(2)	(3)	(4)	(1)	(3)	(7)	(8)

(2021-2022)

Sl. No		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		(301)	(302)	(303)	(304)	(305)	(306)	(307)	(308)
	Public Sector Companies								
1	MMTC	✓	✓	✓	✓	✓	✓		
2	NALCO		✓	✓	✓	✓	✓		
3	NTPC	✓	✓	✓		✓	✓		✓
4	IOCL				✓	✓		✓	✓
5	MCL	✓	✓	✓	✓	✓	✓		
	Private Sector Companies								
6	IMFA	✓	✓	✓	✓	✓	✓		
7	TATA STEEL	✓	✓		✓	✓	✓		
8	Vedanta	✓	✓	✓	✓	✓		✓	
9	J.K. Paper		✓	✓	✓	✓			✓
10	PPL	✓	✓		✓	✓		✓	
	Total	7	9	7	9	10	6	3	3
	%	70	90	70	90	100	60	30	30
	Rank	(3)	(2)	(3)	(2)	(1)	(4)	(5)	(5)

(2022-2023)

Sl. No		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		(301)	(302)	(303)	(304)	(305)	(306)	(307)	(308)
	Public Sector Companies								

1	MMTC	✓	✓	✓	✓	✓	✓		
2	NALCO		✓	✓	✓	✓			
3	NTPC	✓	✓	✓	✓	✓	✓		✓
4	IOCL				✓	✓			
5	MCL	✓	✓	✓	✓	✓	✓		
	Private Sector Companies								
6	IMFA	✓	✓	✓	✓	✓	✓	✓	
7	TATA STEEL	✓	✓		✓	✓	✓	✓	
8	Vedanta	✓	✓	✓		✓	✓		✓
9	J.K. Paper		✓	✓		✓			
10	PPL	✓	✓	✓	✓	✓	✓		✓
	Total	7	9	8	8	10	7	2	2
	%	70	90	80	80	100	70	20	20
	Rank	(4)	(2)	(3)	(3)	(1)	(4)	(5)	(5)

Source: Sustainable Reports of Companies

Table-06 represents Environmental parameters exercised by public and private sector companies operating in Odisha. Out of 8 parameters, most of companies are given focus on air emissions (GRI 305) efforts maximised to control and regulate the Environment Pollution which is followed by Bio-diversity (GRI 304). Companies are least efforts to interfere the activities of supplier-environmental assessment.

Sl. No		N	Min	Max	Mean	St. Error	S. D
1	Materials (301)	3	70	70	70	0	0
2	Energy (302)	3	90	90	90	0	0
3	Water & Effluents (303)	3	70	80	76.67	3.35	5.77
4	Bio-diversity (304)	3	80	90	86.67	3.35	5.77
5	Emissions (305)	3	100	100	100	0	0
6	Waste (306)	3	60	80	70	4.71	8.16
7	Environmental Compliance (307)	3	20	30	26.67	3.35	5.773
8	Sustainable Env. Assessment (308)	3	20	30	23.33	3.35	5.774

Source: Compiled by Researcher

Table-07 depicts the descriptive statistics of Environmental parameters reporting by Public and Private sector companies in Odisha. During the triple year period of investigation, corporate sectors mostly participating in Emissions (GRI-305) which is followed by energy (GRI-302), Bio-diversity (GRI-304) and water and effluents (GRI-303). It is found that companies were more consistent and stable in Emissions, Materials and energy as compared to other parameters of Environmental dimensions. Companies were contributing least effort in Waste management Parameters during the three years of assessment.

Table-08 Showing Social Parameters (400) reporting by Public and Private sector companies

Sl No		2020-21						2021-22						2022-23					
		1 401	2 402	3 403	4 404	5 405	6 406	1 401	2 402	3 403	4 404	5 405	6 406	1 401	2 402	3 403	4 404	5 405	6 406
	Public Sector Comp.																		
1	MMTC	✓		✓	✓			✓		✓	✓			✓		✓	✓		

2	NALCO	✓		✓	✓			✓		✓	✓			✓		✓	✓		✓
3	NTPC	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓		✓
4	IOCL	✓	✓	✓		✓		✓	✓	✓									
5	MCL	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Private Sector Comp.																		
6	IMFA	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓		✓
7	TATA STEEL	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓
8	Vedanta	✓	✓	✓		✓		✓	✓	✓		✓		✓	✓	✓		✓	✓
9	J.K. Paper	✓		✓		✓	✓	✓		✓		✓	✓	✓		✓	✓	✓	✓
10	PPL	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Total	10	7	9	7	8	4	10	7	9	7	7	5	9	5	8	8	5	8
	%	100	70	90	70	80	40	100	70	90	70	70	50	90	50	80	80	50	80
	Rank	1	4	2	4	3	5	1	3	2	3	3	4	1	3	2	2	3	2

Source: Sustainability Reports of Companies

Table-08 show social parameters contribution by public and private sector companies in Odisha region. From the three years period of observations, it is observed that out of six parameters, most of the corporate sectors given highest weight age to employment (GRI-401) followed by health and safety (GRI-403). Companies are contributing least effort to participate the parameter of Non-Discrimination (GRI-406).

Sl. No		N	Min	Max	Mean	St. Error	S. D
1	Empowerment (401)	3	90	100	96.67	3.35	5.77
2	Labour Mrg. Relation (402)	3	50	70	63.33	6.71	11.547
3	Occupation Health & Safety (403)	3	80	90	86.67	3.35	5.77
4	Training & Education (404)	3	70	80	73.33	3.35	5.77
5	Diversity & Equal Opportunity (405)	3	50	80	66.67	8.88	15.28
6	Non Discrimination (406)	3	40	80	56.67	12.03	20.82

Source: Compiled by Researcher

Table-09 reveals descriptive statistics of social parameters reporting by public and private sector companies in Odisha region. From the above table, it is observed that most of companies exercising employment generation (GRI-401) followed by occupational Health & safety (GRI-403) and training and education (GRI-404). It is also observed that most of the public and private sector companies participating least effort on Non-discrimination and labour-management relation assessment. It is concluded that parameter like employment, occupational health & safety and training and education parameters are more stable and consistent reporting practices exercised by corporate sectors. While companies were contributing least efforts towards non-discrimination (GRI-406) and Diversity & equal opportunity (GRI-405) parameters during three years of assessment.

Table-10 showing governance dimensions reporting by public and private sector companies.

Sl N o		2020-21							2021-22							2022-23						
		1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	Public Sector Comp.																					
1	MMT C	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	
2	NALCO	✓	✓		✓		✓	✓	✓	✓		✓		✓	✓	✓	✓		✓	✓	✓	✓
3	NTPC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	IOCL	✓	✓		✓		✓	✓	✓	✓		✓		✓	✓	✓	✓		✓		✓	✓
5	MCL	✓	✓	✓	✓	✓		✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓
	Privat e Sector Comp.																					
6	IMFA	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓
7	TATA STEE L	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
8	Vedan ta	✓		✓	✓		✓	✓	✓		✓	✓		✓	✓	✓		✓	✓		✓	✓
9	J.K. Paper	✓		✓	✓		✓	✓	✓		✓	✓		✓	✓	✓		✓	✓		✓	✓
10	PPL	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Total	10	8	8	10	6	8	8	9	8	8	9	5	10	8	10	8	8	9	7	9	9
	%	100	80	80	100	60	80	80	90	80	80	90	50	100	80	100	80	80	90	70	90	90
	Rank	1	2	2	1	3	2	2	2	3	3	2	4	1	3	1	3	3	2	4	2	2

Source: Sustainability report of companies

Table-10 represents Governance parameters reporting by Public and Private sector companies in Odisha region. From the above table, it is observed that companies mostly given maximum preference on supply-chain, corporate governance followed by risk management, digitalisation, product stewardship and cyber security. Companies are giving least effort to stakeholder management assessment.

Table-11 Showing Descriptive statistics of Governance dimensions reporting

Sl. No		N	Min	Max	Mean	St. Error	S. D
1	Corporate Governance	3	90	100	96.67	3.34	5.77
2	Risk Management	3	80	80	80.00	0	0
3	Digitalization	3	80	80	80.00	0	0

4	Responsible Supply Chain	3	90	100	93.33	3.34	5.77
5	Stakeholder Management	3	50	70	60.00	4.72	8.16
6	Product Stewardship	3	80	100	90.00	4.72	8.16
7	Data Privacy & Cyber Security	3	80	90	83.33	3.34	5.77

Source: Compiled by researcher

Table-11 reveals descriptive statistics of Governance parameters of public and private sector companies in Odisha. It is found that corporate sector were given efforts towards corporate governance reporting and least efforts towards stakeholder management. It is also observed that parameters like risk management and digitalization were more stable and consistent as compared to other governance parameters during three years period of study by the public and private sector companies in Odisha.

Table-12 showing company wise ESG reporting initiatives by Public & Private sector.

Sl. No	Companies	Av. ESG reporting			Total	Percentage	Rank
		Env	Soc	Gov			
1	MMTC	6	3	6	15	71.42	4
2	NALCO	5	3	5	13	61.90	5
3	NTPC	6	5	7	18	85.71	2
4	IOCL	3	2	5	10	47.62	6
5	MCL	6	6	6	18	85.71	2
6	IMFA	7	5	6	18	85.71	2
7	TATA STEEL	6	5	6	17	80.91	3
8	Vedanta	6	4	5	15	71.42	4
9	J.K. Paper	4	4	5	13	61.90	5
10	PPL	6	6	7	19	90.48	1

Source: Compiled by Researcher

Table-12 indicates the company wise ranking over the three years from 2020-21 to 2022-23. Paradeep Phosphates Limited (PPL) achieved the maximum rank with 90.48 percent average ESG parameters followed by Mahanadi Coal Field Limited (MCL) and Indian Metal and Ferroalloys Limited respectively. IOCL ESG parameters least during the period of study while MMTC and Vedanta Ltd. Achieved the parallel position. It is evident that PPL, MCL and IMFA are achieving good performance on sustainability reporting practices as compared to other reporting companies.

Findings of the Study:

The present research paper Environmental, Social and Governance (ESG): A step ahead of the CSR is a vibrant issue after introduction of SEBI sustainability reporting format called Business Responsibility and Sustainable Report (BRSR) helps to corporate sector better demonstrate their sustainability goals and protect the interest of investors and stakeholders. The end outcomes of this research paper observed that:

- CSR practices are functionary strategy of the corporate sectors.
- There is found significant variations of CSR expenditure between Public and Private sectors in Odisha.
- CSR concept only covers the Environmental and social factors but not Governance.
- ESG act as barometer of CSR initiatives.
- ESG parameters reporting have variations between public and private sectors.
- There is no global reporting index on governance reporting which creates difficulties in assessment.

- CSR do not possess any parameter but ESG integrate environmental, social governance dimensions which is useful to take rational decision making by investors and stakeholders.
- Thus ESG is a device that evaluates corporate performance to achieve sustainability.
- Researcher found that CSR has not much significance without ESG reporting by the corporate entities.
- Both public and private sector companies are not following ESG reporting according to GRI guidelines.

Suggestions:

Environmental, Social and Governance (ESG) are three parameters or key factors used to evaluate the corporate sustainability and helpful in assessment of CSR initiatives. In India there are several reports prepared and published by the corporate sectors like Annual reports, CSR reports, Business responsibility reports to explore business information but there is not unique report made mandatory by Govt. or SEBI to disclose and transparent in a single report with keeping in the mind of investors and stakeholders decision. Here, researcher suggests that every corporate sector is abiding CSR contribution as well as its evaluation through ESG in order to accumulate sustainable finance.

Conclusions:

CSR and ESG both are supplementary with each other. ESG is a holistic approach of making integration between Environmental, Social and Governance factors into the business. CSR linked with profit, people and planet while ESG is a sustainability assessment using Environmental, Social and Governance parameters to evaluate corporate performance in order to build trust & confidence in the mind of investors and all kinds of stakeholders. Now, Researcher rightly remarked that where there is CSR, there is ESG or vice-versa. It is concluded that ESG is a step ahead of the CSR practices for sustainable business and sustainable society point of view.

Limitations of the Study:

The drawbacks of this research study is that researcher using secondary data with sample design consists of only ten companies (five from public sector and five from private sector) whose commercial business operating in Odisha region. The investigation is carried out only for three years from 2020-21 to 2022-23: consisting three ESG- dimensions [Environment (08), Social (06) and Governance (07)].

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