

## PREFACE

Background and inspiration for this book stem from the growing global discourse on sustainable development and sustainability reporting, which has gained significant momentum in recent years. This rising attention reflects the increasing urgency to safeguard the future of the planet amid multiple crises and disruptions arising from environmental degradation, climate change, social inequality, and governance failures. Landmark initiatives, including Earth Summits, Paris Agreement, and UN climate conferences (COPs), have progressively shaped a global sustainability development agenda and underscored the urgent need for coordinated action and greater accountability from governments and corporations.

Corporations are believed to have significant global influence and economic power to make a difference. So, all stakeholders including investors, lenders, customers, employees, suppliers, insurers, communities, governments, civil societies, and regulators, are increasingly expecting companies to perform not only on financial and governance metrics but also in terms of their environmental and social impact, thereby revolutionizing the meaning of corporate accountability and making corporate reporting on environment, social and governance (ESG) issues central to the responsible business conduct.

Companies have also realized that to strive and thrive in this volatile, uncertain, complex, and ambiguous (VUCA) world of rising stakeholder expectations, they must move beyond traditional myopic notions of short-term profitability and shareholder wealth maximization, to proactively and strategically managing ESG risks and opportunities and create shared value for all stakeholders because this shift will help them garner competitive edge and address triple-bottom-lines. Thus, sustainability reporting (SR) has become a crucial mechanism through which companies can communicate their ESG performance towards building stakeholders' trust, which is fundamental for maintaining their license to operate in societies and for long-term business resilience. Moreover, SR, by motivating

self-reflection and monitoring ESG performance gaps, can also help companies progress in their sustainability journey.

On the other hand, the proliferation of SR frameworks with diverse, dynamically evolving requirements, driven by rising stakeholder expectations, made the sustainability landscape highly complex. Finance and accounting professionals were now needed to play a pivotal role not only in helping companies measure and report ESG performance, but also in integrating sustainability into business strategy, risk-management process, governance mechanisms, business model transformation, as well as ensuring the credibility of sustainability disclosures. In a 2023 global survey, finance leaders worldwide identified “ESG metrics and measurement” as one of their most important priorities for the coming years.

I felt the need for this book while teaching ESG issues as part of the corporate governance module in a long-duration executive program, the Chief Financial Officers (CFO) programme. In-class surveys to assess participants’ ESG-readiness, as well as their questions and perspectives, made it clear that finance professionals needed structured guidance to navigate the rapidly evolving maze of sustainability reporting. The response I received while speaking on ESG Reporting in various forums and seminars further strengthened my resolve to write this book. Finally, it was the inspiration from my guide, Prof Asish K Bhattacharyya, which helped convert this resolve into reality.

**What does the book cover?** This book is a humble attempt to provide a concise and practical overview of sustainability issues and sustainability reporting within the contemporary corporate landscape, with a focus on the Indian context. By bringing together key concepts, emerging global and national sustainability reporting frameworks, real-world SR practices, and empirical insights, the book aims to help readers better understand the evolving sustainability agenda and its implications for business.

The book is organised into five chapters. Chapter 1 introduces the conceptual

foundations of sustainable development, discusses the business case for sustainability and sustainability reporting, along with major global reporting frameworks and emerging global trends. Chapter 2 emphasises the importance of SR in the Indian context and makes the reader walk through the evolution of sustainability reporting regulations in India, including Business Responsibility Reporting (BRR), Business Responsibility and Sustainability Reporting (BRSR), and related regulatory initiatives, while also examining the alignment of Indian frameworks with global standards. Chapter 3 begins with the perceived benefits and challenges of sustainability reporting, discusses the growing role of finance and accounting professionals in SR, and then focuses on understanding sustainability reporting practices of Indian companies, supported with many real-world examples from sustainability reports. Chapter 4 provides a detailed discussion of select ESG issues, such as greenwashing, sustainability assurance, and ESG ratings, and provides a brief overview of sustainable finance. The last part of the chapter details the author's empirical research and shares insights derived therefrom. Chapter 5 discusses the challenges companies face on their sustainability journey, the models they can use to assess their ESG maturity, and the crucial efforts needed to make headway. It also deliberates on some emerging issues gaining prominence in the sustainability reporting landscape, namely the use of artificial intelligence, increased focus on biodiversity loss, and human rights topics.

This book is intended to serve as a timely and valuable resource for finance professionals, including Chief Financial Officers (CFOs), corporate leaders such as Chief Executive Officers (CEOs), aspiring sustainability officers, and other senior executives. It will also benefit students of business and management at the undergraduate and postgraduate levels who seek to understand both the conceptual foundations and practical implications of Environmental, Social, and Governance (ESG) reporting. Moreover, it offers significant insights for research scholars interested in examining the links between ESG and financial

performance. The book will also prove valuable to the directors occupying board positions in companies, investors, and the public about India's ESG and sustainability reporting requirements and realities.

During times when corporate managers across the world are learning and adapting to a new understanding of corporate accountability grounded in responsible value creation, I hope this book will provide readers with conceptual clarity and practical guidance. The book also aspires to equip corporate leaders with the insights needed to guide their organisations in responding effectively to evolving sustainability expectations and, in doing so, contribute to building a more sustainable future for businesses, the nation, and the planet.

**Arpita Ghosh**