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An Assessment of ESG Reporting Variations among Selected Top Indian IT Companies

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Abstract: Environmental, Social, and Governance (ESG) reporting serves as a key framework for assessing corporate sustainability and ethical responsibility in the global business landscape. The Indian Information Technology (IT) sector, a major contributor to the economy, has seen significant advancements in ESG reporting. With a strong global presence and reliance on international clients, Indian IT firms face increasing pressure to align their disclosures with global standards. However, despite regulatory mandates and growing investor interest, ESG reporting varies across companies in terms of quality, transparency, and focus on different ESG pillars. This study examines ESG reporting variations among India's top five IT firms over five years (2020–2024). The findings reveal insignificant differences in ESG scores, suggesting a standardized approach shaped by global sustainability frameworks, regulatory compliance, and stakeholder expectations.

Key Words: ESG Practices, ESG Reporting, Corporate Social Responsibility.

I. INTRODUCTION

Environmental, Social, and Governance (ESG) reporting has emerged as a critical framework for evaluating corporate sustainability and ethical responsibility in the global business landscape. As businesses face growing scrutiny from stakeholders, regulators, and investors, ESG disclosures serve as a benchmark for assessing a company's commitment to sustainable development. In India, the Information Technology (IT) sector being one of the country's most influential industries, has witnessed a significant evolution in ESG reporting practices. However, despite increasing regulatory mandates and investor interest, ESG reporting remains inconsistent across firms, with variations in disclosure quality, transparency, and emphasis on different ESG pillars.

This study aims to investigate the variations in ESG reporting among selected top Indian IT companies, focusing on the three core pillars i.e. Environmental, Social, and Governance. The Environmental reporting examines how IT firms manage their carbon footprint, energy consumption, e-waste disposal, and climate risk mitigation strategies. The Social practice assesses corporate initiatives related to employee well-being, diversity and inclusion, data privacy, and corporate social responsibility (CSR). Lastly, the Governance reporting evaluates corporate ethics, board diversity, executive compensation, and risk management frameworks. By examining these three dimensions, this assessment seeks to identify gaps and best practices in ESG disclosures within India's IT sector.

Indian IT firms, given their global footprint and reliance on international clients, are under increasing pressure to align their ESG reporting with global standards such as the 'Global Reporting Initiative' (GRI), 'Sustainability Accounting Standards Board (SASB)', and the 'Securities and Exchange Board of India's (SEBI) 'Business Responsibility and Sustainability Reporting' (BRSR) framework. However, the extent and depth of ESG reporting vary widely among companies, influenced by factors such as firm size, global exposure, regulatory compliance, and leadership commitment. Some leading IT firms have adopted comprehensive ESG strategies with ambitious sustainability goals, while others provide minimal disclosures, raising concerns about inconsistent reporting frameworks. This paper aims to assess these variations by examining the ESG reports of selected top Indian IT companies. The findings will provide insights into how Indian IT firms can enhance their ESG disclosures, ensuring greater transparency, accountability, and alignment with global sustainability goals. Understanding these differences is crucial for investors, policymakers, and stakeholders who seek to evaluate the sector's long-term sustainability and ethical business practices.

II. REVIEW OF LITERATURE

The reviewed literature offers a comprehensive analysis of the relationship between ESG factors and firm performance, challenges, and trends as well as investor behaviour towards ESG practice. Simone, Petracci & Piva (2022) investigated the role of innovation in economic sustainability across a global sample of firms, concluding that the social dimension of ESG has the most substantial effect. Singh & Kapoor (2022) traced the evolution of sustainable reporting in India, stressing the need for enhanced ESG compliance to achieve the Sustainable Development Goals (SDGs). Buchetti, Arduino & Perdichizzi (2025) provided a systematic review of corporate governance's role in ESG, identifying key determinants such as board diversity and institutional investors while pointing out gaps like ESG expertise among directors. Deb, Sajit & Digar (2023) examined 37 Indian companies, including top IT firms and found a significant positive impact of ESG on firm performance. Agrawal (2024) examined the shift from CSR to ESG in India and highlighted the regulatory gaps, jurisdictional conflicts, and challenges such as green-washing and inconsistent reporting, suggesting improved regulatory coordination for better ESG implementation. Paul (2024) explored the ESG transition in Indian enterprises, emphasizing its role in operational efficiency, market expansion, and brand enhancement. Amel-Zadeh & Serafeim (2017) conducted a global survey on investor use of ESG information, revealing that investment performance remains the primary motivation, though challenges such as standardization issues hinder effective ESG integration. Berg, Kolbel, & Rigobon (2022) examined the inconsistency in ESG ratings from different agencies, attributing divergence to measurement differences and emphasizing the need for standardized ESG reporting frameworks. Finally, Mahajan (2022) critically assessed sustainability reporting compliance among India's top 100 companies, identifying improvements in transparency but persistent inconsistencies in environmental disclosures and stakeholder engagement. Collectively, these studies highlight the growing importance of ESG in corporate strategy, the need for regulatory refinement, and the evolving role of ESG in investment decisions and firm performance.

III. RESEARCH METHODOLOGY

This study adopts a quantitative research approach to assess variations in ESG reporting among top Indian IT companies. 5 top IT companies i.e. HCL Technologies, Infosys, Tata Consultancy Services, Tech Mahindra, and Wipro have been taken for the study analysis. The research is based on secondary data. Five year ESG Scores (2020–2024) have been collected from the FTSE ESG Index, developed by FTSE Russell, a subsidiary of the London Stock Exchange Group (LSEG). This index is designed to provide investors with exposure to companies demonstrating strong ESG performance while maintaining broad market representation. These scores provide a standardized measure of each company's performance across the three ESG pillars (Environmental, Social, and Governance), ensuring comparability and reliability in assessment.

To evaluate the variations in ESG reporting, the study employs One-Way Analysis of Variance (ANOVA), a statistical test used to determine whether there are significant differences in ESG scores among the selected IT companies. Following null hypotheses have been formulated-

H_o1: There is no significant difference in Environment Reporting among top Indian IT companies.

H_o2: There is no significant difference in Social Reporting among top Indian IT companies.

H_o3: There is no significant difference in Governance Reporting among top Indian IT companies.

H_o4: There is no significant difference in Total ESG Reporting among top Indian IT companies.

IV. ANALYSIS & DISCUSSION

The data was analysed using SPSS-22, descriptive and ANOVA test was applied to examine the hypotheses

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and extent of variations. The descriptive and ANOVA test results indicate meaningful differences in ESG reporting and offer insights into the uniformity of ESG disclosures in India's IT sector. Descriptive analysis for each IT company has been summarised in the following tables-

HCL Technologies:

HCL Technologies							
	2024	2023	2022	2021	2020	Mean	SD
ESG Scores							
Environmental Score	3	3	3	1	4	2.8	1.095
Social Score	4.3	4.3	3.7	3.7	3.3	3.86	0.434
Governance Score	5	5	4.5	5	5	4.9	0.224
Total ESG Score	4.1	4.1	3.7	3.2	4.2	3.86	0.416

HCL Technologies shows moderate ESG performance, with a Total ESG Score mean of 3.86 (SD = 0.416). It's Governance Score (Mean = 4.9, SD = 0.224) is the highest among all five companies, indicating strong corporate governance practices. The Social Score (Mean = 3.86, SD = 0.434) remains relatively stable, while the Environmental Score (Mean = 2.8, SD = 1.095) fluctuates, with a notable drop in 2021. This suggests a need for enhanced sustainability efforts.

Infosys:

Infosys							
	2024	2023	2022	2021	2020	Mean	SD
ESG Scores							
Environmental Score	3	3	2	3	5	3.2	1.095
Social Score	3.7	3.7	1.5	3.7	4	3.32	1.026
Governance Score	5	5	2	5	5	4.4	1.342
Total ESG Score	3.9	3.9	4.5	3.9	4.7	4.18	0.390

Infosys exhibits strong overall ESG performance, with a Total ESG Score mean of 4.18 (SD = 0.390), one of the highest among the selected firms. It maintains high Governance Scores (Mean = 4.4, SD = 1.342), reflecting strong corporate ethics. However, the Social Score (Mean = 3.32, SD = 1.026) shows greater variability, particularly in 2022, when it dropped to 1.5, indicating inconsistencies in social responsibility initiatives. The Environmental Score (Mean = 3.2, SD = 1.095) is stable but leaves room for improvement.

Tata Consultancy Services (TCS):

Tata Consultancy Services							
	2024	2023	2022	2021	2020	Mean	SD
ESG Scores							
Environmental Score	3	3	2	3	5	3.2	1.095
Social Score	3.7	3.7	1.5	3.7	3.7	3.26	0.984
Governance Score	5	5	2	5	4.5	4.3	1.304
Total ESG Score	3.9	3.9	3.9	3.9	4.5	4.02	0.268

TCS has a Total ESG Score mean of 4.02 (SD = 0.268), suggesting consistent ESG performance over the five years. The Governance Score (Mean = 4.3, SD = 1.304) remains strong, while the Social (Mean = 3.26, SD = 0.984) and Environmental (Mean = 3.2, SD = 1.095) scores show moderate fluctuations, especially in 2022. While governance practices are robust, TCS could enhance its social and environmental initiatives.

Tech Mahindra:

Tech Mahindra							
	2024	2023	2022	2021	2020	Mean	SD
ESG Scores							
Environmental Score	3	3	2	3	5	3.2	1.095
Social Score	4.3	4.3	1.5	4.3	3.7	3.62	1.213
Governance Score	5	5	2	5	5	4.4	1.342
Total ESG Score	4.1	4.1	4.1	4.1	4.6	4.2	0.224

Tech Mahindra has the highest Total ESG Score (Mean = 4.2, SD = 0.224) among the five companies, driven by strong Governance (Mean = 4.4, SD = 1.342) and Social Scores (Mean = 3.62, SD = 1.213). The Environmental Score (Mean = 3.2, SD = 1.095) is stable but not outstanding. Variations in social and governance scores suggest periodic shifts in corporate policies. Overall, Tech Mahindra demonstrates a well-balanced ESG approach.

Wipro:

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Wipro							
	2024	**2023**	**2022**	**2021**	**2020**	**Mean**	**SD**
ESG Scores							
Environmental Score	3	3	2	3	5	3.2	1.0954
Social Score	4.3	4.3	1.5	4	4.3	3.68	1.2256
Governance Score	4.5	4.5	2	5	5	4.2	1.2550
Total ESG Score	3.9	3.9	4.1	4	4.8	4.14	.3782

Wipro maintains a Total ESG Score mean of 4.14 (SD = 0.3782), closely following Tech Mahindra. It's Governance Score (Mean = 4.2, SD = 1.2550) and Social Score (Mean = 3.68, SD = 1.2256) remain strong, indicating a consistent focus on corporate responsibility. However, like the other firms, it's Environmental Score (Mean = 3.2, SD = 1.0954) suggests the need for improved sustainability measures.

While all five companies perform well in governance, environmental scores remain moderate across the board, indicating a sector-wide need for stronger sustainability initiatives. Tech Mahindra and Infosys lead in total ESG performance, while HCL Technologies excels in governance. The social scores show greater variations, highlighting differences in employee welfare, diversity, and community engagement initiatives.

Hypotheses Testing & ANOVA Results:

The one way ANOVA test was applied to examine the hypotheses and extent of variations. The ANOVA test results indicate significant variances in ESG reporting and provide an understandings about the consistency of ESG disclosures in India's IT sector. ANOVA results for each hypotheses are summarised here-

Environment Reporting:

ANOVA Results: Environmental Score					
Source of Variation	Sum of Squares	df	Mean Square	F-value	p-value
Between Groups	.640	4	.160	.133	.968
Within Groups	24.000	20	1.200		
Total	24.640	24			

The ANOVA results for Environmental Scores indicate an F-value = 0.133 and p-value = 0.968, meaning there is no significant difference among the five IT companies. Since the p-value is much greater than 0.05, the null hypothesis is accepted, confirming that all companies have similar environmental sustainability strategies. The mean Environmental Score across companies is 3.2, with minor variations,

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suggesting a moderate commitment to environmental practices. These findings indicate that Indian IT firms follow comparable green initiatives, likely due to regulatory compliance and industry-wide sustainability trends. The lack of significant variation suggests a standardized approach to environmental policies, but companies can still improve in areas like carbon footprint reduction, renewable energy use, and waste management. Given the rising expectations for climate-conscious business operations, there is room for stronger differentiation and more proactive sustainability measures to enhance environmental performance.

Social Reporting:

ANOVA Results: Social Score					
Source of Variation	Sum of Squares	df	Mean Square	F-value	p-value
Between Groups	1.274	4	.319	.307	.870
Within Groups	20.728	20	1.036		
Total	22.002	24			

The ANOVA test for Social Scores results in an F-value = 0.307 and p-value = 0.870, showing no statistically significant difference among the selected IT companies. Since the p-value is greater than 0.05, the null hypothesis is accepted, meaning that all firms have relatively similar social responsibility efforts. The Social Score means range between 3.26 (TCS) and 3.86 (HCL Technologies), with slight fluctuations but no substantial variation. This consistency suggests that social sustainability practices such as employee welfare, diversity policies, and corporate social responsibility (CSR) initiatives, are largely uniform across the IT sector. However, companies may differ in their execution and reporting of social programs. While the scores indicate a stable commitment to workforce well-being and community development, businesses can further enhance their social impact by introducing more inclusive policies, increasing employee engagement, and expanding CSR activities for greater transparency and impact.

Governance Reporting:

ANOVA Results: Governance Score					
Source of Variation	Sum of Squares	df	Mean Square	F-value	p-value
Between Groups	1.460	4	.365	.264	.898
Within Groups	27.700	20	1.385		
Total	29.160	24			

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The ANOVA results for Governance Scores indicate an F-value = 0.264 and p-value = 0.898, confirming no significant difference in corporate governance practices among the five IT companies. Since the p-value is well above 0.05, the null hypothesis is accepted, meaning governance structures and compliance mechanisms are consistent across firms. The Governance Score means range from 4.2 (Wipro) to 4.9 (HCL Technologies), reflecting a high standard of governance across all companies. These findings suggest that board independence, executive accountability, ethical decision-making, and regulatory compliance are well-established industry-wide. The relatively high scores across all firms indicate strong governance frameworks, possibly influenced by SEBI regulations, investor expectations, and corporate best practices. While no significant variation exists, companies should continuously strengthen governance by enhancing transparency, improving stakeholder engagement, and ensuring long-term ethical leadership to maintain investor confidence and industry credibility.

Total ESG Reporting:

ANOVA Results: Overall ESG Score					
Source of Variation	Sum of Squares	df	Mean Square	F-value	p-value
Between Groups	.400	4	.100	.847	.512
Within Groups	2.360	20	.118		
Total	2.760	24			

The ANOVA results for Total ESG Scores reveal an F-value = 0.847 and p-value = 0.512, showing no statistically significant difference in overall ESG performance among the five IT companies. Since the p-value is greater than 0.05, the null hypothesis is accepted, confirming that the overall ESG strategies across firms are largely similar. The Total ESG Score means range from 3.86 (HCL Technologies) to 4.2 (Tech Mahindra), with minor variations, indicating that companies have comparable ESG commitments. This suggests that the Indian IT sector has a standardized approach to ESG practices, influenced by global reporting standards and stakeholder expectations. However, despite uniformity in reporting, companies can further enhance their ESG leadership by increasing transparency in disclosures, adopting more ambitious sustainability goals, and integrating ESG principles more effectively into core business strategies to create long-term value and remain competitive in the evolving ESG landscape.

V. CONCLUSION

The study of ESG reporting among top Indian IT companies reveals no significant variation in their ESG scores, this suggests that the Indian IT sector follows a standardized ESG approach, influenced by global sustainability frameworks, regulatory requirements, and stakeholder expectations. While governance and social responsibility efforts show minor variations, the overall ESG performance remains largely consistent across firms. However, to enhance their ESG leadership, IT companies should adopt stronger environmental initiatives, such as carbon neutrality and renewable energy adoption, while also expanding social responsibility efforts through diversity, inclusion, and employee well-being programs. Additionally, reinforcing governance transparency and ethical leadership will further strengthen investor trust. As ESG compliance becomes a key driver of corporate reputation and long-term business resilience, companies must move beyond compliance and focus on innovative, impactful ESG strategies to gain a competitive edge.

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