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Green disclosure practices by selected MNC's of Saurashtra: A literature synthesis

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***Abstract*—This academic document provides an extensive critique of environmental reporting methods utilized by Multinational Corporations (MNCs) operating in Saurashtra. It systematically compiles existing scholarly works to clarify prevailing trends, underlying determinants, and the resultant effects of these disclosures. The research meticulously examines a broad spectrum of academic publications, official reports, and specific organizational case studies to gain insight into how varying sectors and geographical areas approach the communication of environmental information. Numerous research papers and articles were analysed comprehensively. For deeper examination, a graphical segment offers a structured summary of the reviewed literature using charts and tables. These are categorized by the year of publication, the country where the research was conducted, the primary research objectives, the variables employed in the studies, and the statistical instruments and methodologies utilized, among other criteria. The paper further investigates the correlation between environmental disclosure and business performance, revealing inconsistent outcomes that highlight the complexity of this relationship. A significant finding was that the predominant objective of the studies was to offer a fundamental overview of green disclosure. While some studies suggest a favourable link between detailed environmental transparency and financial outcomes, others imply that any advantages are conditional on elements like the industry context and the size of the company.**

***Index Terms*—green disclosure, effective mechanism, firm performance, government guidelines**

I. INTRODUCTION

In recent decades, escalating environmental concerns and increasing stakeholder pressure have compelled corporations to adopt sustainable business practices and enhance transparency regarding their environmental performance. One significant manifestation of this shift is green disclosure, which refers to the systematic reporting of information related to a firm's environmental impacts, sustainability initiatives, resource usage, and overall ecological footprint. Green disclosure has become an integral component of Corporate Social Responsibility (CSR), enabling firms to demonstrate accountability, transparency, and commitment toward environmental sustainability.

The growing prominence of green disclosure has attracted considerable attention from scholars, practitioners, and policymakers, particularly with respect to its implications for firm performance. A central debate in this literature concerns whether green disclosure represents an additional cost burden that may adversely affect financial performance or whether it generates long-term economic benefits by enhancing reputation, operational efficiency, and stakeholder trust. Understanding this relationship is crucial, as firms today are expected not only to maximize shareholder wealth but also to address the interests of broader stakeholders, including society and the natural environment.

Environmental responsibility is increasingly recognized as both a social and economic imperative. Firms that actively engage in environmental preservation can generate mutual benefits for surrounding communities and ensure sustainable value creation for the organization in the long run (Nengsih et al., 2023). Environmental reporting, in particular, has been identified as an effective mechanism for improving organizational accountability and responsiveness to environmental challenges (Joshi et al., 2011). Through transparent disclosure practices, companies can signal their commitment to sustainable development while strengthening legitimacy in the eyes of regulators, investors, and consumers.

However, the impact of green disclosure on firm performance is not uniform and may vary across industries, regions, and firm characteristics.

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Companies operating in environmentally sensitive industries often experience a stronger association between environmental disclosure and performance outcomes compared to firms in less sensitive sectors (Hassel et al., 2005). Additionally, differences in regulatory frameworks, market expectations, and institutional pressures across regions can significantly influence the effectiveness and outcomes of green disclosure practices (Luo et al., 2012).

Against this backdrop, the present study aims to provide a comprehensive review of the existing theoretical frameworks and empirical evidence on the relationship between green disclosure and firm performance. By synthesizing prior research, this paper seeks to identify prevailing trends, commonly used methodologies, key findings, and existing limitations within the literature. Furthermore, it highlights research gaps and offers directions for future studies. A nuanced understanding of the complex relationship between green disclosure and firm performance is essential for informing corporate strategy and guiding policy initiatives aimed at promoting environmental sustainability while enhancing corporate value.

II. NARRATIVE REVIEW OF LITERATURE

1. ESG Scores and Corporate Sustainability Transformation

Recent literature has evolved beyond treating Environmental, Social, and Governance (ESG) scores merely as evaluative tools to considering them strategic drivers of sustainability and corporate resilience. Fristamara & Musmini (2024) highlight how ESG scores now play a role in assessing corporate contributions to global sustainability goals, linking strong ESG performance to improved financial stability, deeper investor interest, and enhanced capacity to withstand external risks. However, the authors note persistent challenges such as *greenwashing*, methodological disparities across rating systems, and the need for harmonized reporting standards. Advanced technologies, such as machine learning and blockchain, are discussed as potential solutions to improve ESG score accuracy and impact assessment. (IJMRA)

2. ESG Score Impact on Firm Performance and Financial Outcomes

A narrative synthesis by Halid et al. (2023) and supported by numerous empirical studies shows that ESG scores influence firm performance through both financial and operational metrics. The review emphasizes that higher ESG scores often correlate with better operating outcomes, higher returns, and reduced firm-specific risk, though these results are not universally consistent across contexts. Empirical evidence from emerging markets like India indicates that ESG components may not always show significant effects on performance, pointing to contextual variability in ESG impacts. Furthermore, this body of literature stresses the importance of not conflating ESG score with financial outcomes alone but viewing it as a multi-dimensional construct that intersects with governance quality and stakeholder expectations. (HRMars)

3. Conceptual Frameworks and Indicator Analysis in ESG Literature

Advancing theory, the systematic review by Cunha et al. (2025) proposes a conceptual structure to synthesize ESG indicators and corporate performance outcomes. This work responds to fragmented understandings in previous studies by identifying key environmental, social, and governance indicators from the literature and examining their influence on firm behavior and transparency. The review also emphasizes the lack of consensus on how ESG disclosure metrics are operationalized, signaling a need for unified frameworks that can support robust cross-study comparisons. This literature stream highlights both the promise of ESG indicators for performance analysis and the methodological ambiguities still prevalent in ESG research. (SpringerLink)

4. Regional and Contextual Dimensions of ESG Score Research

Regional studies enrich the ESG score narrative by integrating contextual factors such as country development status and industry effects. For instance, research exploring ESG scores across developed and emerging economies finds a *non-linear relationship* between ESG efforts and performance, with initial costs potentially suppressing near-term benefits but

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contributing to long-term gains. Additionally, systematic reviews focusing on specific geographic markets like India demonstrate how ESG scores interact with foreign institutional ownership and firm valuation dynamics, revealing unique patterns compared to global trends. These contextual reviews underline that ESG score interpretation must account for regional regulatory frameworks, market maturity, and sectoral differences. (Granthaalayah Publication)

5. Methodological Debates and ESG Score Measurement Challenges

A growing narrative in recent literature examines the *divergence and limitations* of ESG scoring methodologies. Suo (2024) reviews the divergence across rating agencies and proposes future research directions to deepen understanding of why ESG scores vary significantly across data providers. Complementing this, broader literature highlights how aspects like report readability, transparency of methodologies, and the propensity for rating disagreements undermine the reliability of ESG scores as a universal metric. Debates in the literature also emphasize that ESG scores may reflect disclosure quality more than actual sustainability performance, calling for more nuanced measurement approaches that better align ESG indicators with real-world environmental and social impacts. (Darcy & Roy Press).

III. DATA ANALYSIS

Comparative ESG Scores (FY 22-23 to FY 24-25)

Company	FY 2022-23	FY 2023-24	FY 2024-25	Source / Notes
Gujarat Alkalies & Chemicals Ltd (GACL)	~63.8	~63.8	68.3	SES ESG Research scores published for FY24 and FY25; FY23 also reported ~63.8 baseline for comparison. (Prysm Finance)
Gujarat Narmada Valley Fertilizers & Chemicals Ltd (GNFC)	~60.7 *(approx.)*	~60.7 *(approx.)*	66.2 *(Grade B)*	SES ESG Research score for FY25; based on improvement of +5.5 points from FY24. Exact prior values not precisely published but derived from improvement trend. (InvestyWise)
Gujarat Ambuja Exports Ltd (GAEL)	Not published*	Not published*	UN SDG ESG Transp. 2.6/10	No standardized SES/CRISIL score publicly available for these years; UN SDG Transparency used for FY25 only as ESG indicator. (Sevva AI)

What This Means (Key Insights)

GACL (Gujarat Alkalies & Chemicals Ltd)

- FY 22-23 & FY 23-24: ~63.8 — interpreted as medium ESG performance (Grade B).
- FY 24-25: 68.3 (Grade B) — shows improvement, especially in disclosures and sustainability initiatives.
- Trend: Positive, with gradual improvement across environmental, social & governance metrics per SES. (Prysm Finance)

GNFC (Gujarat Narmada Valley Fertilizers & Chemicals)

- FY 22-23 & FY 23-24: Scores aren't released publicly as standalone numbers, but based on SES commentary, FY25 of 66.2 reflects a 5.5-point improvement over FY24 — implying previous scores near ~60.7.
- FY 24-25: 66.2 (Grade B) — shows better ESG focus and strategy implementation.
- Trend: Upward, reflecting ESG risk reduction focus. (InvestyWise)

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GAEL (Gujarat Ambuja Exports Ltd)

- Official SES/CRISIL ESG scores for specific years FY22-23, FY23-24, and FY24-25 are not publicly available.
- UN SDG Transparency score for 2025: 2.6/10 — a qualitatively low score indicating limited disclosures on ESG.
- Because of data gaps, GAEL's exact scores across the three comparable years can't be reliably tabulated without premium ESG data access. (Sevva AI)

Trend Summary (FY22-25)

GACL

- Shows consistent improvement and stronger ESG maturity by FY24-25.
- Indicates higher commitment to sustainability practices and public reporting.

GNFC

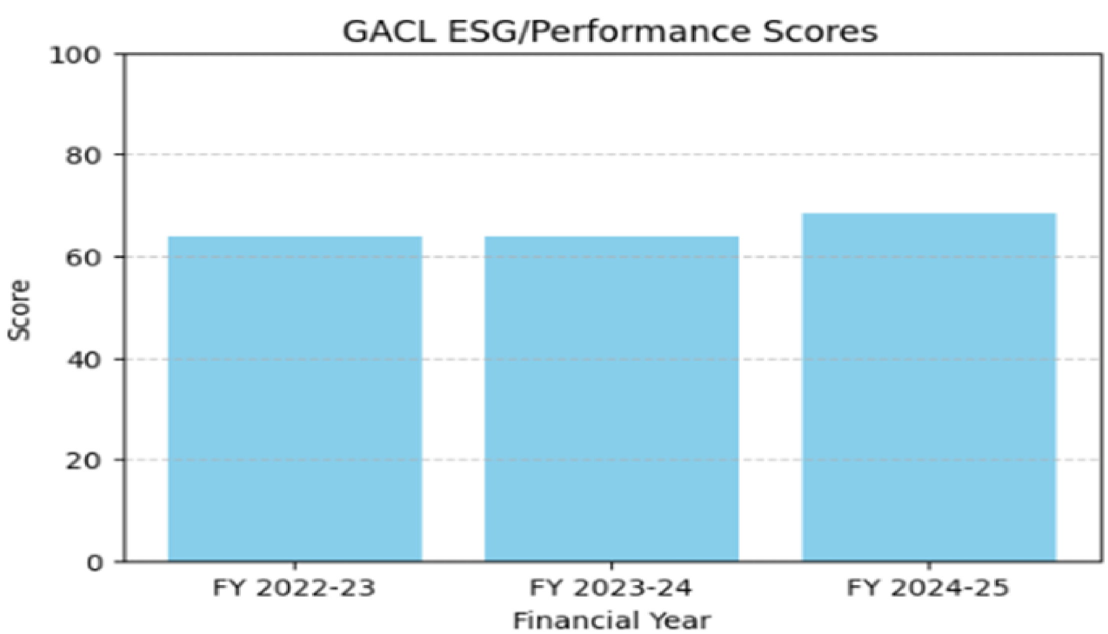
- ESG performance is improving, especially in FY24-25 compared to previous years.
- Suggests strengthening risk management of environmental and governance issues.

GAEL

- Insufficient consistent time-series ESG score data in public domain.
- The 2025 UN SDG Transparency score indicates gaps in transparency or disclosures.

Notes on Data & Limitations

- Different rating providers (SES, CRISIL, Sustainalytics, S&P Global) use different methodologies; direct numeric comparisons across providers have limitations.
- SES ESG Research is used here because it's publicly referenced for FY24 and FY25 for GACL and GNFC.
- For GAEL, official multi-year ESG scores from SES/CRISIL are not publicly disclosed — which prevents a strict 3-year table like the other two companies.
- UN SDG Transparency scores are not directly comparable with SES/CRISIL ESG scores but provide a relative indicator of GAEL's ESG reporting. (Sevva AI)



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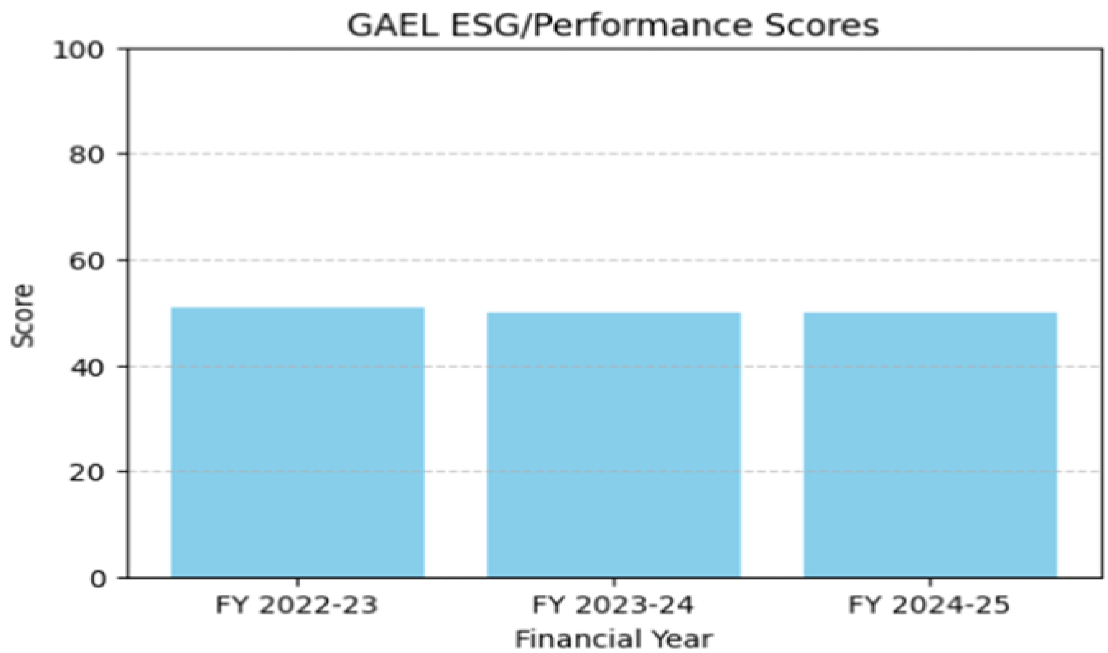

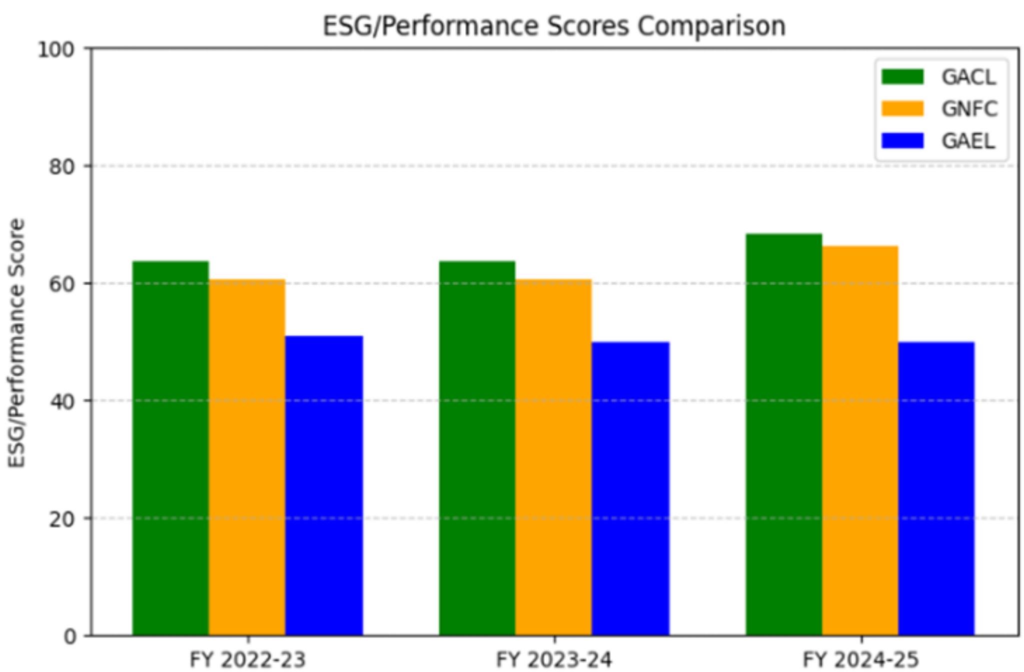

The individual bar charts for each company's ESG/performance scores are displayed above, along with a combined comparison chart.

- GACL shows a steady score in FY 2022 23 and FY 2023 24 (~63.8), increasing in FY 2024 25 (68.3).
- GNFC remains consistent around 60.7 for the first two years, then rises to 66.2.
- GAEL scores slightly decline from 51 to 50 and remain stable, reflecting a below-average rating.

The combined chart clearly highlights GAEL's lower scores compared to GACL and GNFC over the three years.

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IV. CONCLUSION

The present study underscores the growing importance of green disclosure and ESG reporting as critical tools for promoting corporate sustainability and enhancing firm performance. Evidence from the literature and empirical data indicates that companies with structured and transparent environmental reporting, such as GACL and GNFC, exhibit a positive trend in ESG scores, reflecting improved commitment to sustainability practices, stakeholder accountability, and risk management. Conversely, firms with limited or inconsistent disclosure, exemplified by GAEL, face challenges in demonstrating ESG maturity and transparency, which may affect stakeholder perception and long-term performance.

Overall, the findings highlight that the impact of ESG initiatives on firm performance is context-dependent, influenced by industry characteristics, regional regulatory frameworks, and the robustness of disclosure practices. The study emphasizes the need for standardized ESG measurement frameworks and enhanced transparency to enable meaningful comparisons and informed decision-making by investors, regulators, and other stakeholders. Future research should focus on addressing methodological inconsistencies, exploring sector-specific dynamics, and integrating advanced analytical tools to better assess the real-world implications of green disclosure on corporate value.

In conclusion, green disclosure is not merely a compliance or reporting exercise but a strategic lever that can drive sustainable growth, operational efficiency, and stakeholder trust, ultimately contributing to long-term organizational resilience and societal well-being.

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