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+91 99405 72462



+9163819 07438



ijmrsetm@gmail.com



www.ijmrsetm.com



# A Study on Sustainability Reporting By GRI Standard in Sakthi Auto Component Limited

Mr. J. TAMILARASU, Mr. SUGUMAR R

Assistant Professor, Department of Management Studies, Nandha Engineering College (Autonomous), Erode, India

MBA II- Year, Department of Management Studies, Nandha Engineering College (Autonomous), Erode, India

**ABSTRACT:** A sustainability report is a logical, attractive compilation of sustainability information with the goal of enhancing a company's social, environmental, and financial aspects. It is made feasible to monitor and assess the goal's progress throughout time. The kind of sustainability information has been significantly impacted by the changing political and environmental situation. Numerous non-governmental organisations (NGOs) focused on sustainability have emerged during the past three decades, along with frameworks for sustainability reports and changing reporting forms. Overall, sustainability reporting, which has developed into a brand attribute, is thought to have enhanced the company's reputation among stakeholders. Numerous new businesses as well as well-known consulting organisations are pursuing sustainability as a result of the new opportunities that have emerged.

## I. INTRODUCTION

The Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD) are just a few of the several sustainability reporting frameworks and standards that are available. These frameworks offer instructions on what data must be reported, how it must be shown, and how to evaluate and disclose sustainability performance. The process of informing stakeholders on an organization's environmental, social, and governance (ESG) performance and results is known as sustainability reporting. The process of evaluating, outlining, and admitting responsibility for an organization's social, environmental, and financial performance is known as sustainability reporting. Customers, employees, investors, and regulators can learn about a company's sustainability initiatives and accomplishments through sustainability reporting. As interested parties demand more accountability and openness, information about a company's long-term viability.

When reporting on their sustainable performance, firms have access to a wide number of indicators thanks to the GRI Standards. Additionally, they provide guidelines for how to create and deliver their sustainability reports. Among the sustainability-related topics covered by the Standards are governance, ethics, environmental performance, labour practices, human rights, product responsibility, and community involvement. The GRI Standards are designed to be flexible and adaptive to different businesses, markets, and geographical regions. They are used by organisations all over the world—businesses, nonprofits, governments, and others—to track, plan, and communicate their sustainable performance. The GRI Standards are widely regarded by investors, analysts, and other stakeholders as a reliable and transparent way for enterprises to report on their ESG.

### 1. OBJECTIVE OF THE STUDY:

- To examine the ESG (environmental Social Governance) performance of Sakthi Auto Components.
- To compare with BRSR and GRI standard in sakthi auto components.
- To applicable for new GRI standards.
- To study on maintain the standard of living of people with equity and justice.



## 2. SCOPE OF THE STUDY:

- In order to inform stakeholders on an organization's environmental, social, and governance (ESG) performance, such as investors, clients, employees, and the general public, sustainability reporting is used.
- Sustainability reporting can encompass a range of time periods, from annual reports to longer-term sustainability objectives. For instance, if they are relevant to the organization's business or sector, specific topics like supply chain management, product stewardship, or consumer privacy can all be covered under the scope of sustainability reporting.
- Global organisations all around the world have mostly adopted the Global Reporting Initiative (GRI) standards, which are a collection of recommendations for reporting on sustainability.
- The scope of sustainability reporting may vary depending on the organisation, however it often includes
  1. Governance and ethics
  2. Environmental consequences

## 4. LIMITATIONS OF THE STUDY:

- Because of their hectic schedules at work, some employees or higher-ranking officials did not respond to my request for information.
- If a business diligently identifies numerous substantial (important) issues, the report may quickly grow lengthy and too technical.
- Some departments refuse approval due to security concerns.

## II. REVIEW OF LITERATURE

Sustainability reporting and accounting are critical for society, claim Vitolla and Rubino (2017). From the perspective of legitimacy theory, it has also become evident that businesses that operate in particularly sensitive industries, like the oil industry, are subject to higher external pressure and obligations to disclose social and environmental information (Vitolla&Rubino, 2017).

A related theoretical field to the legitimacy theory is the institutional theory, which is viewed as an addition to and support for it (Hirsch, 1975; Aras, 2020). The legitimacy theory, on the other hand, is defined as focusing on the society and more general tactics for gaining legitimacy, whereas the institutional theory is more focused on how societal expectations are really incorporated into the organisation in practise (Amran). Prinsloo (2017) asserts that systems designed for data gathering frequently adapt 13 for production-related data. As a result, data retrieval frequently involves a manual process, which is stated to decrease data integrity and raise the margin of error. Since human alteration is a possibility with manual systems, their reliability is reduced (Prinsloo, 2017). Furthermore, Prinsloo (2017) and Safari & Areeb (2020) both underline how crucial reliable data is to the creation of reports. Safari & Areeb (2020) point out that data collecting is frequently difficult for businesses that have just begun to produce a sustainability report because there are sometimes no established mechanisms for doing so.

Sector-specific standards, which prioritise those with the greatest impact, are part of the second level and are now being established for 40 to 45 different, so-called high-impact industries (GRI, 2020b). Additionally, one of these industries is the automotive industry, but there is presently no timeline for the launch of standards in this industry. According to Al-Haija&Kolsi (2021; GRI, 2022a), the third level of standards consists of Topic standards, which are broken down into three separate series: the 200 series for economic standards, the 300 series for environmental standards, and the 400 series for social standards.



### **III. RESEARCH METHODOLOGY**

#### **3.1 RESEARCH DESIGN:**

The process of conducting research, including the general research plan and the technique used to collect data, is described in research methodology.

#### **3.2 SAMPLE DESIGN:**

According to the project's framework's basic operational model, a research design is a specialised measure and method for the data required to address problems. It outlines what data must be gathered from which sources using what steps.

#### **TYPES OF RESEARCH DESIGN:**

There are available descriptive, exploratory, and experimental study designs.

For their investigation, the researcher chose a descriptive research approach.

#### **DESIGN FOR DESCRIPTIVE RESEARCH**

The descriptive design is unusual since it was previously developed around a specific research challenge. The researcher already had a good understanding of a major section of the research problem. To measure what they are attempting to quantify, the investigator should be able to set up suitable and precise techniques.

### **IV. DATA COLLECTION METHOD**

#### **4.1 PRIMARY DATA :**

The practise of acquiring data through surveys and interviews is known as primary data collection.

#### **4.2 SECONDARY DATA:**

The secondary data will be gathered from studies and reports that have appeared in periodicals, journals, magazines, news publications, periodicals online, corporate sustainability reports, annual financial reports, environmental reports, health and safety reports, social reports, and other reports of chosen companies.

#### **TOOLS FOR ANALYSIS:**

There will be use of statistical techniques and sustainability reporting. Along with these statistical tools, many mathematical methods, such as percentages, will be used. Graphical and tabular formats will also be used to present information. The researcher may additionally employ a few other statistical methods while doing the examination.



## GRI STANDARD PERSENTAGE



## V. FINDINGS

- ❖ GRI12 : Energy ,when BRSR Standard as compared to GRI Standard have dropped by 20% energy sources.
- ❖ GRI 305-1: Direct GHG Emission to follow the government rules and regulations. Government regulated percentage for 6.6%.
- ❖ GRI 306-2 : Type of disposal method, In this organisation proper way to disposed and reusing the waste (Recycling process, agricultural land filling)
- ❖ GRI 306 4: Transport hazardous waste for properly disposed in another industry to recycling the anotherpurpose.
- ❖ GRI 401-1 : Employment every year growth increased by 50%
- ❖ GRI 402-2 : Full time and part time employees In this industry to focused on full time employees only but the workload is increased means the industry provide a Internship with a stipend also.
- ❖ GRI 404 : Training and education In this Industry the average Training period was three months and the industry provides a 50% to 60% Stipend also.
- ❖ GRI 403 : Occupational Health, In this industry they have a medical and hospital facilities.
- ❖ GRI 408 : Child labour, In this industry they strictly not allowed the child labour under the government act.
- ❖ Above the 15-80 age limit employee to provide a general works.

## VI. SUGGESTIONS

- ❖ Advance technology have opportunities to further reduce GHG emissions.
- ❖ Reducing GHG emissions can prevent environmental pollutions.
- ❖ Maintaining ESG performance and following the GRI standards to achieve the sustainability goals.
- ❖ Mainly dependent on ground water resource but rain water harvesting can be improved a little more without relying on that.



- ❖ To implement the energy audit it involve the analysing the energy usage pattern, Identifying opportunity for energy saving and recommending measure to reduce the energy consumption.
- ❖ Since there was two much paper works. It can be improved for digitalization to reduce the time management.

## **VII. CONCLUSION**

Sustainability reporting extends on already existing corporate management tools and concepts and employs them in a broader framework in response to a complex and highly interconnected social, environmental, and economic environment. It builds on established techniques for managing a business, such key performance indicators, and applies them with a focus on the triple bottom line and life cycle management. A sophisticated technique is needed to incorporate sustainable, non-financial performance measurements into an organization's routine reporting. The challenge of sustainability for business organisations is to derive value from sustainability reporting that has a positive impact on and modifies their business operations. Sustainability reporting may result in data that is nice to have, expensive to obtain, and of little benefit to the company, the environment, or society without a strategic aim. In the control of the system

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- ❖ <https://www.globalreporting.org>
- ❖ <https://www.responsibilityreports.com>
- ❖ <https://www.globalreporting.org>
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- ❖ <https://www.shell.com>



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