# Economic Performance Disclosure Practices as per Gri-G4 Guidelines -A Case Study of Indian Oil Corporation

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## ABSTRACT

**Objective**: *To examine the disclosure practices of economic performance by the Indian Oil Corporation (IOC) and evaluate its alignment with global reporting standards, particularly the Global Reporting Initiative (GRI) guidelines.*

**Methodology:** *The study employs a case study approach, using secondary data from IOC's reports and publicly available documents. to assess the extent and quality of economic performance disclosures in alignment with GRI guideline content analysis techniques were applied.*

***Findings:*** *The analysis reveals that the Indian Oil Corporation has progressively improved its economic performance reporting practices, adhering to GRI standards. However, gaps remain, indicating scope for further adoption and compliance with integrated reporting frameworks.*

**Practical Implications:** *The findings underscore the need for organizations in environmentally sensitive sectors, such as oil and gas, to enhance transparency in both financial and non-financial disclosures. This can enable stakeholders to better evaluate the organization's socioeconomic and sustainability contributions, fostering accountability and informed decision-making.*

**Originality/value:** *This study contributes to the limited literature on integrated reporting practices in emerging economies, particularly within the Indian energy sector. It offers pragmatic understanding into how a major public-sector enterprise navigates evolving stakeholder expectations, emphasising the growing relevance of non-financial disclosures alongside traditional financial metrics.*

**Paper type:** *Case Study*

**Keywords:** Economic Performance Disclosure, Non-Financial Disclosure, GRI Guidelines, Integrated Reporting, Indian Oil Corporation, Content Analysis, Sustainable Development.

## 1. BACKGROUND :

Expectations of stakeholders towards Financial and Non- Financial performance of an organisation are changing perpetually, financial reporting patterns are changing quickly over time. The global discussion on integrated reporting shows that non-financial performance disclosure is becoming as important as financial performance disclosure. The availability of this information allows stakeholders to assess the organisation's contribution to the socioeconomic and sustainable development of society as a whole. From 2013 onwards, socioeconomic development in the Indian business sector arose quickly as the MCA (Ministry of Business Affairs) compelled corporate expenditure on social sustainability issues. Since then, corporate responsibility in India has been a major source of contention, owing to the lack of a standardised framework for reporting and disseminating non-financial information by corporations. However, there is now a BRR Framework (Business Responsibility Reporting) that is related to GRI SRs (Global Reporting Initiatives for Sustainability Reporting Standards). [1]. If Indian enterprises adopt the GRI connection document, they would automatically comply with both the SEBI criteria on non-financial reporting and the GRI requirements, allowing them to address the information demands of both the national and global stakeholder communities. Non-financial reporting, also referred to as "triple bottom line reporting," enables businesses to report data on their performance in terms of their economic, environmental, and social well-being, disclose that information to stakeholders, earn their trust, and help advance the Sustainable Development Goals (SDGs) established by the United Nations. Reporting on sustainability enhances corporate operations' accountability and transparency. [2, 3] to increase stakeholders' sense of social confidence [4]. Reporting on sustainability validates corporate activities. [3, 5] enhances the company's reputation [6] and the overall effectiveness of the organisation [7, 8]

## 2. REVIEW OF LITERATURE :

Transparency of the information has been the vital objective of sustainable growth [9], inside organisations, hence Sustainability Reporting is a widely discussed issue in the scientific literature, a growing number of nations have started to regulate sustainability reporting, to find out the extent of the actions taken by organisations in this field. Organisation-level sustainability reporting differs greatly in the particular areas that businesses may choose to report on under the voluntary reporting guidelines, maybe according to their interests. [10] Reporting on sustainability is necessary, but it's complicated from a business and stakeholder standpoint. For instance, a lot of beliefs contend that a company's financial filings provide all relevant information.[11]. However, some contend that a thorough understanding of any sustainability-related concerns is necessary for all stakeholders, particularly investors.[12]. Society might be benefited from knowledge about sustainability these were the viewpoints that supported the notion in many ways..[13]
Reporting principles are the foundation of effective reporting. [14]. When we look into human resource practices disclosure in organisations, it was discovered that businesses exhibit a consistent pattern in their financial disclosure and a growing pattern in their non-financial disclosure [15]. [16] Boolaky has conducted an analysis and comparison of human resource practice disclosure in nonfinancial reports among financial service sector firms, examining adherence to the G3 Guidelines provided by GRI. The research encompassed firms within various countries, including European countries, Asian countries, and others. Results indicated a higher level of compliance in Europe compared to other regions, notably Asia. Additionally, the study identifies a significant compliance gap in the Asian region, attributed to a lower proportion of firms adhering to the G3 guidelines. It is to be noted that the companies' characteristics also impact HR information, which helps rebuild the trust of stakeholders [17].

While analysing environmental disclosure practices in Indian companies [18] as per Principle 6 of the BRR and developing a weighted disclosure index to know the extent of disclosure made by companies, we found that the overall weighted score is 68%, which indicates the quantum of environmental information disclosed by Indian listed companies required in the BRR. Information related to environment are largely disclosed by those large companies who are environmentally certified. [19]. Indian corporations have higher sustainability disclosures and reporting practices as compared to China. [20], [21], NIFTY 50 companies are better at disclosing sustainability reports as compared to global Fortune 50 companies.
When we look into the CSR practices of cement companies in India, R. K. Tailor and Ravi Kant Modi [22] conducted a study and concluded that, except JK Lakshmi Cement, all of the chosen companies excel at corporate social responsibility (CSR) and focus primarily on infrastructure, employee health care, rural education, and security. It was found that companies need helpful suggestions to enhance their CSR initiatives and that they are collaborating with the HR Department to resolve any problems that may arise in CSR activities and are working with the HR Department to try to eliminate the current issues in CSR activities.

The disclosure of material information effected on the share price. The data were analysed with the help of event analysis techniques and found that the disclosure of material information as part of an integrated reporting system impacts the share prices of an organisation. Giorgino et al. [23]. [24] Aggarwal, K. (2023). Examining the connection between Indian companies listed on the Indian Stock Exchange's (NSE-200) HR disclosure and ownership structure found that by establishing uniform criteria for HR reporting in India, authorities may raise the bar for HR transparency. Additionally, legislators are urged to create an obligatory HR disclosure index so that it may be used to assess and contrast Indian firms' HR disclosure policies. Does a company's financial performance benefit from CSR disclosure? [25] Singh, A., & Chakraborty, M. (2021) The findings of their study indicate that the profitability of enterprises may be impacted by the adoption of transparent and CSRD. Additionally, government interventions are necessary to support CSR programmes, particularly those that do not provide financial rewards.

Are Indian businesses following the reporting guidelines? Despite India having the world's fastest economic growth, few businesses are known about the advantages of SR. Further, there is a absence of expertise in producing sustainability reports, found that there are complexity and ambiguity in the frameworks and standards that are now in use. (Venkateshwara Kumar and Rama Devi, 2015) [26] In their study, they examined the demands, difficulties, and possibilities for implementing sustainability reporting and also examined the SR practices in India, with the purpose to determine what is causing the slower-paced growth of integrated reporting practices, firms are disclosing information about their ESG performance (Laskar & Maji, 2018) [27], with a view to deal with concern of the stakeholders ESG reporting has also increased in recent times( Sharma, et al., 2020) [28]. Pati, S. (2023) [29] studied the occupational health and safety disclosures and their alignment with GRI 403 criteria on OHS and India's BRSR Reporting guidelines. Similarly ACMA et al., 2017) analysed the extent of human resource disclosure made by Indian companies in their annual reports. Found that companies show a constant trend in financial disclosure and an increasing trend in nonfinancial disclosure.

### 2.1 Research gap:

According to an analysis of previous research, studies majorly focused on conceptual issues instead of the technical aspects of reporting patterns, such as CSR and other general aspects of SR in identified organisations. To close this gap, the current study aims to analyse the extent of non-financial information disclosed by Indian oil corporations by GRI guidelines, with a particular focus on the company's economic performance.

### 2.2 Research questions:

To address the research Gap, the study identified the following research questions.

1. What is the extent of Economic performance disclosures in Indian Oil Corporation Ltd as per GRI?
2. What are the differences/shortcomings in Economic performance disclosure practices in Indian oil corporations and GRI G4 guidelines?

### 2.3 Objectives:

1. To analyse the extent of Economic performance disclosures in Indian Oil Corporation Ltd as per GRI G4 guidelines.
2. To examine the difference in Economic performance disclosure practices during the years and GRI G4 guidelines.

### 2.4 Hypotheses:

**$H1_0$:** There is no high level of Economic performance disclosures in Indian Oil Corporation Ltd as per GRI G4 guidelines.
**$H2_0$:** There is no significant difference in the Economic performance disclosures in Indian Oil Corporation Ltd and GRI G4 guidelines.

## 3. METHODOLOGY :

The research was conducted using the Indian Oil Corporation Ltd.'s annual reports. From FY 2017–18 to FY 2021–22, Indian Oil Corporation Ltd.'s sustainability reports were taken into account. The GRI-G4 guidelines (Appendix 1) for reporting and disclosing economic performance factors were utilised in the study to examine the chosen company's degree of disclosure. Two techniques of number coding—0 and 1—are employed for recording the data. No disclosure is represented by 0, while a disclosure is represented by 1. A coding sheet is created based on the GRI-G4 recommendations for capturing the content analysis findings of the chosen organisation (Appendix 1).

## 4. DATA ANALYSIS AND INTERPRETATION :

The table shows the results of the disclosure compliance index of Indian Oil Corporation Ltd. based on the G4 guidelines for GRI economic performance disclosure aspects. And indicates the disclosure compliance index for the Indian Oil Corporation Ltd. economic performance reported elements, which shows that the year 2017–18 has a high disclosure compliance index contrasted with the remaining years.

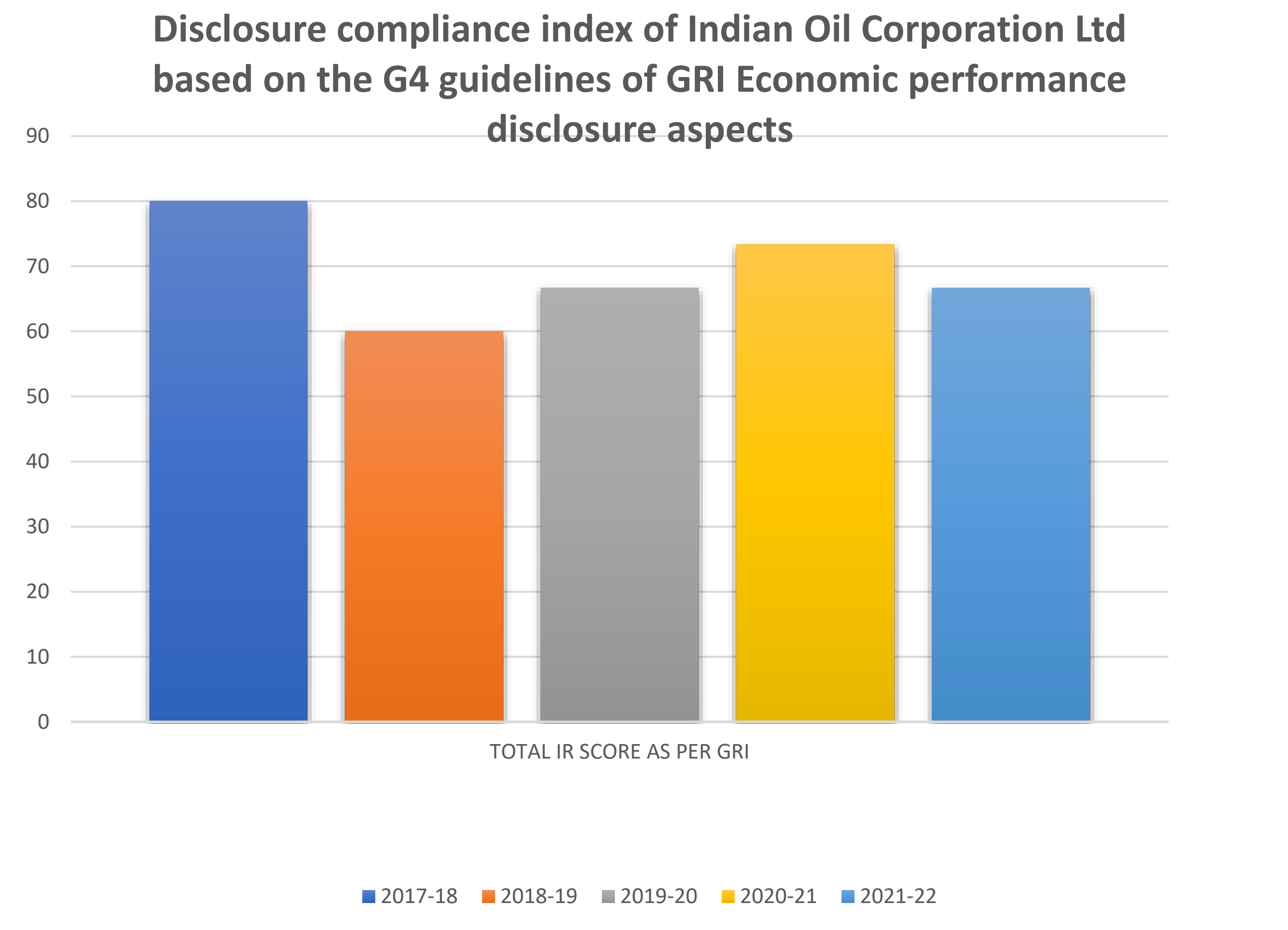
The analysis conducted on disclosure reveals that disclosure elements related to economic performance, market presence, indirect economic impacts, approach to tax, tax governance, control, and risk management are significantly focused.

Disclosure elements related to procurement practices, anti-corruption, stakeholder engagement, and management of concerns related to tax are not significantly focused.

**Table 1:** Disclosure compliance index of Indian Oil Corporation Ltd based on the G4 guidelines of GRI Economic performance disclosure aspects

| Disclosure elements as per GRI –G4 guidelines | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|
| **Economic performance** | | | | | |
| a) Direct economic value generated and distributed | 1 | 1 | 1 | 1 | 1 |
| b) Financial implications and other risks and opportunities due to climate change | 1 | 1 | 1 | 1 | 1 |
| c) Defined benefit plan obligations and other retirement plans | 1 | 1 | 1 | 1 | 1 |
| d) Financial assistance received from the government | 1 | 1 | 1 | 1 | 1 |
| **Market presence** | | | | | |
| a) Ratios of standard entry-level wage by gender compared to local minimum wage | 1 | 1 | 1 | 1 | 1 |
| **Indirect economic impacts** | | | | | |
| a) Infrastructure investments and services supported | 1 | 1 | 1 | 1 | 1 |
| b) Significant indirect economic impacts | 1 | 1 | 1 | 1 | 1 |
| **Procurement practices** | | | | | |
| a) Proportion of spending on local suppliers | 1 | 1 | 1 | 0 | 1 |
| **Anti-corruption** | | | | | |
| a) Operations assessed for risks related to corruption | 1 | 0 | 1 | 1 | 0 |
| b) Communication and training about anti-corruption policies and procedures | 0 | 0 | 0 | 0 | 0 |
| c) Confirmed incidents of corruption and actions taken | 0 | 0 | 0 | 1 | 0 |
| d) Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | 0 | 0 | 0 | 0 | 0 |
| **Tax** | | | | | |
| a) Approach to tax | 1 | 1 | 1 | 1 | 1 |
| b) Tax governance, control, and risk management | 1 | 1 | 1 | 1 | 1 |
| c) Stakeholder engagement and management of concerns related to tax | 1 | 0 | 0 | 0 | 0 |
| **TOTAL IR SCORE AS PER GRI** | 12 | 9 | 10 | 11 | 10 |

| | | | | | |
|---|---|---|---|---|---|
| **% OF COMPLIANCE WITH GRI STANDARDS FOR IR** | 80% | 60% | 66.66% | 73.33% | 66.66% |




## 5. FINDINGS :

The summary of the findings and conclusions of the study are discussed in this section. The main objective of the study is to analyse the extent of economic performance disclosures in Indian oil corporations as per GRI G4 guidelines and to examine the difference between economic performance disclosure practices by Indian oil corporations and GRI G4 guidelines. The findings are as follows:

- With regard to the first objective of the study findings from 2017–18 to 2021–22 sustainability report analysis, it is found that there is an improvement in the economic performance disclosure level of Indian Oil Corporation. The disclosure compliance levels of the company are 80%, 60%, 66.66%, 73.33%, and 66.66%, respectively. It is noted that the year 2017–18 has high disclosing economic performance information as per GRI-G4 guidelines.

- With regard to the first objective of the study, the study also found that the disclosure gap index is higher in the years 2019–20 and 2020–21 because of COVID. This indicates that during the period, it did not disclose more information regarding economic aspects.

- With regard to the second objective, discovered that there is a difference between economic disclosure performance practices during the 5 years and the GRI-G4 guidelines. Because in India, there are still no stringent regulations in relation to the reporting of non-financial information.

## 6. LIMITATIONS AND AVENUES FOR FUTURE RESEARCH :

Every research work is hinged with certain limitations; likewise, the current study also has few limitations, it analysed Indian oil company based on published documents. The study considered only economic parameters as per the GRI framework. Each and every tool applied to the research has its own pitfall also that can influence the result of the study. Further research can be done by considering large samples and can also compare different industrial segments. Also, technological development for reporting through GRI is one of the burning issues to be addressed in the future.

## 7. CONCLUSIONS :

Today, integrated reporting is an important issue on which a lot of debate is going on, and these GRI-G4 guidelines will provide a strong base for reporting non-financial information, thereby helping to maintain consistency in reporting. This study concludes that the GRI framework is a set of guidelines that can be used for reporting nonfinancial information and enables SEBI to meet the obligations of the BRR framework. The present specifically concludes that Indian Oil Corporation is improving in reporting economic performance-related information as per GRI guidelines over a period of time, and there is a need for further stringent regulation that strictly governs non-financial reporting. And there is a necessity of including the GRI framework with the financial reporting framework to achieve the implementation of an integrated reporting system in India. Specifically, following the GRI-G4 guidelines for reporting economic performance information, the country, firm, and its shareholders will benefit from its fruitfulness, such as uniformity, easy comparability, and international recognition, and will contribute to sustainable development at large.

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