

ESG Controversy Mapping of NSE100 Companies

KM Vineeth¹, CR Shiju², Mary Sruthy Melbin³, Sulfiya KS⁴, Sreelakshmi K⁵

¹Post Graduate Department of Commerce, Government College Tripunithura, India 682301

²Post Graduate and Research Department of Commerce, St Paul's College Kalamassery, India 683503

³Post Graduate Department of Commerce, St Teresa's College (Autonomous), Ernakulam, India 682011

⁴Post Graduate and Research Department of Commerce, MES Asmabi College, Kodungalloor, India 680671

⁵Post Graduate Department of Commerce, Mercy College Palakkad, India 678006

Corresponding Author*: KM Vineeth (vineeth@gcte.ac.in)

Abstract

Environmental, Social, and Governance (ESG) factors have become increasingly significant in evaluating a company's long-term sustainability and ethical practices. ESG controversy mapping refers to the process of identifying, analyzing, and tracking disputes or negative incidents related to these factors. For NSE100 companies, this mapping is crucial as these top-performing firms significantly influence India's financial landscape. By assessing controversies linked to environmental damage, labor issues, corruption, or poor governance practices, stakeholders can make informed investment and operational decisions. Given their scale and influence, understanding the controversies they face in ESG domains is crucial for ensuring responsible business conduct and sustainable growth. The research is highly relevant in promoting transparency, encouraging responsible business practices, and guiding companies toward sustainable growth strategies. While NIFTY 100 companies are largely aligned with environmental and governance expectations, a strategic and focused approach is required to improve social responsibility performance. Sector-wise ESG ratings provide valuable insights for building resilient, responsible, and sustainable businesses in India. Ultimately, the findings will provide valuable insights for investors, policymakers, and corporate leaders in strengthening ESG compliance and improving risk management.

KeyWords: ESG, Sustainability, Sustainability Reporting, Corporate Governance

INTRODUCTION

Environmental, Social, and Governance (ESG) factors have become increasingly significant in evaluating a company's long-term sustainability and ethical practices (E. M. N. Babu et al., 2024; S. Babu & Vineeth, 2023; Ranju & Vineeth, 2018). ESG controversy mapping refers to the process of identifying, analyzing, and tracking disputes or negative incidents related to these factors (Billio et al., 2021; Ranju & Vineeth, 2018). For NSE100 companies, this mapping is crucial as these top-performing firms significantly influence India's financial landscape. By assessing controversies linked to environmental damage, labor issues, corruption, or poor governance practices, stakeholders can make informed investment and operational decisions (Alda, 2021; Auer & Schuhmacher, 2016; Cesarone et al., 2022).

In the context of NSE100 companies, ESG controversies have gained attention due to rising awareness among investors, regulators, and consumers. Companies involved in environmental violations, data privacy breaches, or unethical labor practices face reputational risks, financial penalties, and loss of investor trust. For instance, incidents like industrial pollution, employee exploitation, or corporate fraud can severely impact a company's performance. Therefore, ESG controversy mapping helps track such issues, ensuring companies maintain responsible business practices aligned with global standards.

By systematically mapping ESG controversies, investors can better understand the risk landscape of NSE100 companies. This mapping enables businesses to adopt proactive risk management strategies and implement corrective actions. Furthermore, regulators can use this data to strengthen compliance frameworks. As ESG considerations continue to shape global markets, controversy mapping becomes essential for fostering corporate accountability, ensuring investor protection, and promoting sustainable economic growth.

Statement of the Problem

ESG Controversy Mapping of NSE100 Companies reflects the focus on identifying, analyzing, and mapping controversies related to Environmental, Social, and Governance (ESG) factors among the top 100 companies listed on the National Stock Exchange (NSE) of India. These firms are industry leaders, representing diverse sectors that significantly impact the Indian economy (NIFTY 100, 2025). Given their scale and influence, understanding the controversies they face in ESG domains is crucial for ensuring

responsible business conduct and sustainable growth. The rising number of incidents involving environmental violations, workplace misconduct, and governance failures, which highlight gaps in corporate accountability underline the significance of the study. Understanding these controversies is essential as ESG performance increasingly influences investment decisions, regulatory policies, and consumer trust. By mapping such controversies, this study aims to identify risk-prone sectors, track patterns in corporate misconduct, and assess the effectiveness of existing ESG frameworks. The research is highly relevant in promoting transparency, encouraging responsible business practices, and guiding companies toward sustainable growth strategies. Ultimately, the findings will provide valuable insights for investors, policymakers, and corporate leaders in strengthening ESG compliance and improving risk management.

Research Questions

- What are the most common types of ESG controversies faced by NSE100 companies?
- Which sectors within the NSE100 are most prone to ESG-related controversies?

Methodology

ESG controversy mapping of NSE 100 companies is based on secondary data collected from MSCI ESG Ratings (MSCI, 2025) and the NSE India website (NIFTY 100, 2025). MSCI provides comprehensive data on company-specific ESG controversies, including details on environmental, social, and governance-related incidents, their severity, and the company's response. The NSE India website offers additional company-specific information such as sector classification, financial data, and regulatory filings, ensuring a comprehensive dataset for analysis.

The collected data is systematically analyzed by categorizing controversies under Environmental, Social, and Governance pillars. Each controversy is evaluated based on its severity, frequency, and company response, allowing for a structured assessment of ESG risks.

Based on the collected data, appropriate tables and charts are used to represent key insights, such as controversy distribution across sectors, severity levels, and company responses. This approach ensures a clear understanding of trends and risk patterns among NSE 100 companies. The analysis aims to highlight high-risk sectors, recurring controversies, and potential ESG risks that may impact corporate reputation and investor confidence.

Significance of the study

Environmental, Social, and Governance (ESG) factors are increasingly influencing investment decisions and stakeholder perceptions. This research aims to identify and analyze ESG-related controversies faced by NSE100 companies, providing valuable insights into potential risks that may affect their reputation, operational stability, and long-term growth. The benefit of this study lies in its ability to help investors, policymakers, and corporate leaders make informed decisions by understanding the nature and impact of these controversies. By highlighting patterns of ESG issues, the research encourages companies to adopt better risk management strategies and improve their sustainability practices. This topic is particularly important as businesses worldwide face growing pressure to demonstrate ethical conduct, environmental responsibility, and social accountability. Through this study, we aim to contribute to promoting corporate transparency, responsible investing, and sustainable business practices in India's leading firms.

The mapping of ESG controversies among NSE100 companies involves understanding the drivers, consequences, and market reactions to these controversies. ESG controversies are defined as incidents that question a company's commitment to sustainable practices, often attracting media and investor attention. These controversies can significantly impact a company's financial performance and market perception. The following sections delve into the key aspects of ESG controversies as they relate to NSE100 companies. While the focus is on the negative impacts of ESG controversies, it is important to consider the potential for positive outcomes. Companies that effectively address and resolve controversies can enhance their reputation and investor trust. This proactive approach can lead to improved long-term financial performance and sustainability, highlighting the importance of strategic ESG management.

ESG Controversy Mapping of NSE100 Companies

Mapping ESG controversies within the NSE100 requires a multifaceted approach, considering environmental, social, and governance dimensions. The goal is to identify companies facing significant ESG-related issues, understand the nature of these issues, and assess their potential impact on the company's performance and reputation. This analysis synthesizes findings from various research papers to provide a comprehensive overview of ESG performance and controversies, particularly within the Indian context.

Environmental Controversies

Environmental controversies often stem from a company's impact on natural resources, pollution levels, and efforts toward sustainable practices. Power sector companies, for instance, are significant contributors to greenhouse gas emissions due to their reliance on fossil fuels. These companies are under increasing scrutiny to adopt cleaner energy systems and transparent sustainability reporting practices.

Reporting and Disclosure

Analyzing the reporting practices of listed power sector companies reveals that while many disclose ESG indicators, the emphasis varies across different dimensions. Swain et al. (2024) found that social indicators are more frequently disclosed than environmental and governance indicators among the top 10 power sector companies listed on the NSE. This suggests a potential gap in the comprehensive reporting of environmental impacts.

Impact of Environmental Performance

Studies indicate a mixed impact of environmental performance on financial outcomes. Oza & Patekar (2024) found that for manufacturing companies within the NIFTY 500, ESG scores, including environmental scores, did not significantly impact financial performance and, in some cases, had a negative impact. This highlights the complexity of the relationship between environmental practices and financial performance, suggesting that improved environmental actions do not always translate directly into enhanced financial value.

Case Examples

Power Sector: Companies heavily reliant on coal face pressure to transition to renewable energy sources. Failure to do so can lead to environmental controversies and reputational damage.

Manufacturing Sector: Companies with high pollution levels or unsustainable resource use may face regulatory challenges and public criticism.

Social Controversies

Social controversies involve a company's impact on its stakeholders, including employees, customers, and communities. These controversies can arise from issues such as labor practices, human rights, product safety, and community relations.

Labour Practices

Fair labor practices, including employee well-being and work-life balance, are critical components of social performance. (Agosto & Tanda, 2025) found that companies with high corporate social performance (CSP) often demonstrate a strong commitment to job quality, which enhances employee satisfaction and motivation. Conversely, controversies can arise from poor working conditions, low wages, and lack of employee development opportunities.

Community Engagement

Effective community engagement and social responsibility are also essential for avoiding social controversies. (Lianto, 2024). demonstrated that corporate governance supporting community empowerment programs can lead to positive social outcomes and recognition however, companies that neglect community needs or engage in unethical practices can face significant social backlash.

Product Safety

Ensuring product safety and ethical marketing practices is another critical aspect of social responsibility. Auer & Schuhmacher (2016) found that negative performance on human rights and product safety indicators could negatively impact stock returns, particularly in more recent periods. This underscores the importance of maintaining high standards of product quality and safety to avoid controversies.

Case Examples

Healthcare Sector: Baratta et al., (2023) noted that the healthcare industry has historically prioritized social considerations, often at the expense of environmental issues. Balancing social and environmental responsibilities is crucial for sustainable development in this sector.

Tobacco Industry: Stirton et al. (2025) found that independent tobacco supply chain companies often lack transparency regarding their tobacco-related activities while prominently displaying ESG efforts. This can mislead investors and customers about the company's true nature.

Governance Controversies

Governance controversies relate to a company's internal controls, ethical leadership, and transparency in decision-making. Issues such as corruption, lack of board diversity, and inadequate risk management can lead to governance-related controversies.

Corporate Governance and Performance

Effective corporate governance is positively associated with better financial performance. Hin & Liu (2023) found that governance factors have the most direct impact on the corporate performance of banks and securities firms. They emphasized that information disclosure, as part of corporate governance, should be prioritized to achieve higher corporate performance.

Ethical Practices

Maintaining ethical practices and transparency is crucial for building stakeholder trust and avoiding governance controversies. Ab Aziz et al. (2025) highlighted the importance of integrating corporate governance with ESG principles as a foundation for a firm's sustainability and stakeholder trust. Companies with weak governance structures are more likely to face controversies related to unethical behavior and lack of accountability.

Risk Management

Effective risk management is another critical aspect of corporate governance. (Jagannathan et al., 2018) suggested that incorporating ESG criteria into the investment process can reduce portfolio risk by tilting holdings toward firms that are well-prepared to deal with regulatory changes and shifts in consumer tastes.

Case Examples

Financial Sector: Banks and securities firms with poor governance structures may face controversies related to financial mismanagement and lack of transparency.

All Sectors: Companies with a lack of diversity on their boards and management teams may face criticism for failing to promote inclusivity and equal opportunity.

ESG Integration and Financial Performance

The relationship between ESG performance and financial performance is complex and multifaceted. While some studies suggest a positive correlation, others indicate mixed or even negative impacts, depending on the sector and specific ESG dimensions considered.

- **Positive Relationships:** Several studies have found a positive relationship between ESG performance and financial outcomes. Kumar & Firoz, (2022) found that better ESG practices positively and significantly affect corporate financial performance, particularly through improved corporate image and credibility. Similarly, Mukhtar et al. (2023) found that environmental, social, and governance factors affect firm value in Indonesian companies. Sousa & Cuevas (2023) conducted a longitudinal study of Bloomberg US 1000 companies showed a positive and statistically significant impact of ESG scores on financial performance, particularly in return on assets (ROA) and Tobin's Q.
- **Mixed Relationships:** Other studies have reported mixed results. Giannopoulos et al., (2022) found a strong and significant relationship between ESG disclosure and financial performance in Norwegian listed companies, but the impact varied depending on the financial performance measure used. Specifically, they found that ROA had a clear negative impact, while Tobin's Q increased with ESG performance.
- **Negative or Insignificant Relationships:** Some research indicates that ESG performance may not always translate into improved financial performance. Oza & Patekar (2024) found that for manufacturing companies in the NIFTY 500, ESG scores did not significantly impact financial performance and, in some cases, had a negative impact. Handajani & Murhadi (2025) found that ESG has not been able to significantly influence dividends and firm value, suggesting that inefficient ESG practices and poor audit quality can hinder the positive impact of ESG investments.
- **Moderating Factors:** The impact of ESG performance on financial outcomes can be influenced by various moderating factors. Nikqi, (2025) revealed that company reputation moderates the impact of ESG scores on corporate value, with higher reputation strengthening the positive effect.

Challenges and Obstacles to ESG Integration

Despite the growing importance of ESG, companies often face challenges and obstacles in integrating ESG factors into their decision-making processes.

- **Lack of Awareness and Understanding:** One of the primary obstacles is a lack of awareness and understanding of ESG factors among companies. Debnath & Dinda (2022) suggested that Indian companies face this challenge, along with limited availability of ESG data, weak regulatory frameworks, and cultural or institutional barriers.
- **Data Quality and Availability:** The quality and availability of ESG data also pose significant challenges. Billio et al. (2024) noted a lack of commonality in the definition, characteristics, attributes,

and standards defining ESG components across different rating agencies. This heterogeneity can lead to differing opinions on the same companies and affect sustainable investment decisions.

- **Regulatory Frameworks:** Weak regulatory frameworks and inconsistent reporting standards can also hinder ESG integration. Sharma et al. (2020) highlighted the need for standardized reporting guidelines tailored to the Indian context. Tang et al., (2024) emphasized that Malaysia could benefit from adopting comprehensive regulatory and disclosure frameworks that address ESG holistically.
- **Greenwashing:** The risk of greenwashing, where companies exaggerate their ESG efforts, is another significant concern. Gunawan et al. (2022) suggested that companies conducting a Sustainable Fitch ESG assessment should clarify their emission reduction target timeline and verify it with respect to the United Nations' Science-Based Target (SBT) or net-zero targets to reduce potential greenwashing.

Strategies for Overcoming Challenges

To overcome these challenges, companies can adopt several strategies to improve their ESG performance and integration.

- **Increasing Awareness and Education:** Increasing awareness and education about ESG factors is crucial. Debnath & Dinda, (2022) suggested that education and training can help companies better understand and integrate ESG factors into their decision-making processes
- **Improving Data Quality and Availability:** Improving the quality and availability of ESG data is essential for accurate assessment and decision-making. This can involve adopting standardized reporting frameworks and enhancing data collection and analysis methods.
- **Strengthening Regulatory Frameworks:** Strengthening regulatory frameworks and promoting consistent reporting standards can also support ESG integration. Sharma emphasized the need for standardized reporting guidelines tailored to the Indian context.
- **Building Partnerships:** Building partnerships between companies and other stakeholders, such as investors, regulators, and NGOs, can promote ESG integration. Collaborative efforts can help companies address ESG challenges and improve their overall performance.

Mapping ESG controversies within the NSE100 requires a comprehensive understanding of environmental, social, and governance dimensions. While ESG practices are increasingly recognized as important for corporate sustainability and long-term value creation, the relationship between ESG performance and financial outcomes is complex and influenced by various factors. Companies face numerous challenges in integrating ESG factors into their decision-making processes, including a lack of awareness, data quality issues, and weak regulatory frameworks. By adopting strategies to overcome these challenges, companies can improve their ESG performance, enhance their reputation, and contribute to sustainable development.

ESG Controversy Mapping of NSE 100 Companies: Results

Environmental, Social, and Governance (ESG) factors have become increasingly significant in evaluating corporate responsibility, risk exposure, and long-term sustainability. However, beyond conventional ESG ratings, there exists a critical need to scrutinize ESG-related controversies that can undermine a company's credibility, investor confidence, and overall reputation. An in-depth analysis of ESG controversies among the NSE 100 companies, based on robust secondary data obtained from the MSCI ESG Controversies database would enable a better understanding.

The dataset captures controversy signals across six core ESG dimensions—Environment, Social, Customers, Human Rights & Community, Labour Rights & Supply Chain, and Governance. Each company is color-coded based on the severity and nature of the controversies identified:

- **Red:** Indicates involvement in one or more very severe controversies.
- **Orange:** Reflects one or more ongoing severe structural controversies.
- **Yellow:** Denotes severe-to-moderate level controversies.
- **Green:** Suggests the absence of major controversies, although minor or moderate issues may still be present.

By identifying patterns and frequency of controversies across sectors and ESG dimensions, the study offers a diagnostic tool for stakeholders—including investors, regulators, and policymakers—to assess potential ESG risks and guide sustainable investment decisions.

The analysis is structured to provide both aggregate insights and company-specific assessments, allowing for a nuanced understanding of where companies stand in terms of ESG controversies. The findings also

help in identifying industries more prone to ESG-related controversies, thus contributing to risk-adjusted corporate evaluation models and strategic sustainability planning.

The data with respect to 7 companies is not available in the database, hence the analysis is done with the data with respect to 93 companies in the NSE 100.

Table 4.1 ESG Controversy Mapping of NSE 100 Companies

Company Name	Industry	Size	Environment	Social	Customers	Human Rights & Community	Labour Rights & Supply Chain	Governance
ABB India	Electric Equipment	Large Cap	Green	Green	Green	Green	Green	Green
Adani Enterpris	Trading	Large Cap	Orange	Orange	Green	Orange	Green	Yellow
Adani Ports	Transport Infrastructure	Large Cap	Orange	Orange	Green	Orange	Green	Yellow
Adani Power	Power Generation/Distribution	Large Cap	Green	Green	Green	Green	Green	Yellow
Ambuja Cements	Cement	Large Cap	Green	Orange	Yellow	Orange	Yellow	Yellow
Apollo Hospital	Hospital & Healthcare Services	Mid Cap	Green	Green	Green	Green	Green	Yellow
Asian Paints	Paints	Large Cap	Green	Yellow	Yellow	Green	Green	Green
Avenue Supermarkets	Retailing	Large Cap	Green	Green	Green	Green	Green	Green
Axis Bank	Bank - Private	Large Cap	Green	Yellow	Yellow	Green	Green	Green
Bajaj Auto	Automobile - 2 & 3 Wheelers	Large Cap	Green	Green	Green	Green	Green	Yellow
Bajaj Finance	Finance - NBFC	Large Cap	Green	Green	Green	Green	Green	Yellow
Bajaj Finserv	Finance - Investment	Large Cap	Green	Green	Green	Green	Green	Yellow
Bajaj Holdings	Finance - NBFC	Large Cap	Green	Green	Green	Green	Green	Green
Bank of Baroda	Bank - Public	Large Cap	Green	Yellow	Yellow	Green	Green	Yellow
Bharat Elec	Aerospace & Defence	Large Cap	Green	Green	Green	Green	Green	Yellow
Bharti Airtel	Telecommunication - Service Provider	Large Cap	Green	Yellow	Yellow	Green	Green	Yellow
BHEL	Engineering - Industrial Equipments	Mid Cap	Yellow	Green	Green	Green	Green	Green
Bosch	Auto Ancillaries - Auto, Truck & Motorcycle Parts	Mid Cap	Green	Green	Green	Green	Green	Green
BPCL	Refineries	Large Cap	Green	Yellow	Green	Green	Yellow	Green
Britannia	Consumer Food	Large Cap	Green	Green	Green	Green	Green	Green
Canara Bank	Bank - Public	Mid Cap	Green	Green	Green	Green	Green	Green

Company Name	Industry	Size	Environment	Social	Customers	Human Rights & Community	Labour Rights & Supply Chain	Governance
Chola Invest.	Finance - NBFC	Large Cap	Green	Green	Green	Green	Green	Green
Cipla	Pharmaceuticals & Drugs	Large Cap	Green	Yellow	Yellow	Green	Green	Yellow
Coal India	Coal	Large Cap	Green	Orange	Green	Orange	Green	Green
Dabur India	Household & Personal Products	Mid Cap	Green	Orange	Orange	Green	Green	Green
Divis Labs	Pharmaceuticals & Drugs	Large Cap	Green	Green	Green	Green	Green	Green
DLF	Construction Residential & Commercial Complexes	Large Cap	Green	Green	Green	Green	Green	Green
Dr Reddys Labs	Pharmaceuticals & Drugs	Mid Cap	Green	Yellow	Yellow	Green	Green	Yellow
Eicher Motors	Automobile - LCVS/HVCS	Large Cap	Green	Green	Green	Green	Green	Green
GAIL	Gas Distribution	Large Cap	Green	Green	Green	Green	Green	Yellow
Godrej Consumer	Household & Personal Products	Large Cap	Green	Orange	Orange	Green	Green	Green
Grasim	Diversified	Large Cap	Green	Yellow	Yellow	Green	Yellow	Green
Havells India	Electric Equipment	Mid Cap	Green	Green	Green	Green	Green	Green
HCL Tech	IT Services & Consulting	Large Cap	Green	Yellow	Green	Green	Yellow	Green
HDFC Bank	Bank - Private	Large Cap	Green	Yellow	Green	Green	Yellow	Yellow
HDFC Life	Life & Health Insurance	Large Cap	Green	Yellow	Yellow	Green	Green	Green
Hero Motocorp	Automobile - 2 & 3 Wheelers	Mid Cap	Green	Yellow	Green	Green	Yellow	Yellow
Hindalco	Iron & Steel	Large Cap	Green	Yellow	Green	Yellow	Green	Yellow
Hindustan Aeron	Aerospace & Defence	Large Cap	Green	Yellow	Yellow	Green	Green	Yellow
HUL	Household & Personal Products	Large Cap	Green	Green	Green	Green	Green	Green
ICICI Bank	Bank - Private	Large Cap	Green	Green	Green	Green	Green	Orange
ICICI Lombard	Multiline Insurance & Brokers	Mid Cap	Green	Green	Green	Green	Green	Green
ICICI Prudential	Life & Health Insurance	Mid Cap	Green	Green	Green	Green	Green	Yellow
IndusInd Bank	Bank - Private	Mid Cap	Green	Green	Green	Green	Green	Yellow
Info Edge	Misc. Commercial Services	Mid Cap	Green	Green	Green	Green	Green	Green

Company Name	Industry	Size	Environment	Social	Customers	Human Rights & Community	Labour Rights & Supply Chain	Governance
Infosys	IT Services & Consulting	Large Cap	Green	Yellow	Yellow	Green	Yellow	Green
Interglobe Avi	Airlines	Large Cap	Green	Green	Green	Green	Green	Yellow
IOC	Refineries	Large Cap	Green	Yellow	Green	Yellow	Yellow	Green
IRCTC	Online Services	Mid Cap	Green	Green	Green	Green	Green	Green
ITC	Diversified	Large Cap	Green	Green	Green	Green	Green	Green
Jindal Steel	Iron & Steel	Mid Cap	Yellow	Yellow	Green	Yellow	Yellow	Yellow
Jio Financial	Finance - Others	Large Cap	Green	Green	Green	Green	Green	Green
JSW Energy	Power Generation/Distribution	Mid Cap	Green	Green	Green	Green	Green	Green
JSW Steel	Iron & Steel	Large Cap	Green	Yellow	Green	Green	Yellow	Yellow
Kotak Mahindra	Bank - Private	Large Cap	Green	Green	Green	Green	Green	Yellow
Larsen	Engineering & Construction	Large Cap	Green	Yellow	Green	Green	Yellow	Yellow
LTIMindtree	IT Services & Consulting	Large Cap	Green	Yellow	Green	Green	Yellow	Yellow
M&M	Automobile - Auto & Truck Manufacturers	Large Cap	Green	Yellow	Yellow	Green	Green	Yellow
Macrotech Dev	Construction - Residential & Commercial Complexes	Large Cap	Green	Green	Green	Green	Green	Green
Maruti Suzuki	Automobile - Passenger Cars	Large Cap	Green	Yellow	Green	Green	Yellow	Green
MOTHERSON	Auto Ancillaries - Auto, Truck & Motorcycle Parts	Mid Cap	Green	Green	Green	Green	Green	Green
Nestle	Consumer Food	Large Cap	Green	Yellow	Yellow	Green	Green	Green
NHPC	Power Generation/Distribution	Mid Cap	Yellow	Yellow	Green	Yellow	Yellow	Green
NTPC	Power Generation/Distribution	Large Cap	Green	Yellow	Green	Yellow	Yellow	Green
ONGC	Oil Exploration and Production	Large Cap	Yellow	Orange	Green	Yellow	Orange	Yellow
Pidilite Ind	Diversified chemicals	Large Cap	Green	Green	Green	Green	Green	Green
Power Finance	Finance Term Lending	Large Cap	Green	Green	Green	Green	Green	Green
Power Grid Corp	Power Generation/Distribution	Large Cap	Green	Yellow	Green	Yellow	Green	Green
REC	Finance Term Lending	Large Cap	Green	Green	Green	Green	Green	Green

Company Name	Industry	Size	Environment	Social	Customers	Human Rights & Community	Labour Rights & Supply Chain	Governance
Reliance	Oil Exploration and Production	Large Cap	Green	Yellow	Green	Green	Yellow	Green
SBI	Bank - Public	Large Cap	Green	Yellow	Yellow	Green	Yellow	Green
SBI Life Insura	Life & Health Insurance	Large Cap	Green	Green	Green	Green	Green	Green
Shree Cements	Cement	Mid Cap	Green	Yellow	Yellow	Yellow	Green	Green
Shriram Finance	Finance - NBFC	Large Cap	Green	Green	Green	Green	Green	Green
Siemens	Electric Equipment	Large Cap	Green	Green	Green	Green	Green	Green
Sun Pharma	Pharmaceuticals & Drugs	Large Cap	Green	Yellow	Yellow	Green	Green	Green
TATA Cons. Prod	Tea/Coffee	Mid Cap	Green	Yellow	Green	Green	Yellow	Green
Tata Motors	Automobile - LCVS/HVCS	Large Cap	Green	Yellow	Yellow	Green	Yellow	Green
Tata Power	Power Generation/Distribution	Large Cap	Green	Orange	Yellow	Orange	Green	Green
Tata Steel	Iron & Steel	Large Cap	Yellow	Orange	Yellow	Orange	Yellow	Yellow
TCS	IT Services & Consulting	Large Cap	Green	Yellow	Green	Green	Yellow	Green
Tech Mahindra	IT Services & Consulting	Large Cap	Green	Green	Green	Green	Green	Green
Titan Company	Diamond & Jewellery	Large Cap	Green	Green	Green	Green	Green	Green
Torrent Pharma	Pharmaceuticals & Drugs	Large Cap	Green	Yellow	Yellow	Green	Green	Green
Trent	Retailing	Large Cap	Green	Green	Green	Green	Green	Green
TVS Motor	Automobile - 2 & 3 Wheelers	Large Cap	Green	Green	Green	Green	Green	Yellow
UltraTechCement	Cement	Large Cap	Green	Yellow	Yellow	Green	Yellow	Green
United Spirits	Breweries & Distilleries	Mid Cap	Green	Green	Green	Green	Green	Green
Varun Beverages	Beverages	Large Cap	Green	Green	Green	Green	Green	Green
Vedanta	Metals - Non Ferrous	Large Cap	Yellow	Yellow	Green	Yellow	Green	Yellow
Wipro	IT Services & Consulting	Large Cap	Green	Orange	Green	Green	Orange	Green
Zomato	Online Services	Large Cap	Green	Yellow	Yellow	Green	Yellow	Yellow
Zydus Life	Pharmaceuticals & Drugs	Mid Cap	Green	Green	Green	Green	Green	Green

Source: Researcher's Compilation from MSCI database

About 31 companies (marked in BOLD in table 4.1 contents) are found to be ‘relatively free’ from ESG controversies with green flags in all criteria and are found to be spread across large and mid cap as well as different sectors by industry. 72 large cap companies and 31 mid companies form part of the sample in consideration.

Table 4.2 Summary ESG controversy mapping

Environment	Frequency	Percent
Green	85	91.4
Orange	2	2.2
Yellow	6	6.5
Total	93	100
Social	Frequency	Percent
Green	46	49.5
Orange	10	10.8
Yellow	37	39.8
Total	93	100
Customers	Frequency	Percent
Green	69	74.2
Orange	2	2.2
Yellow	22	23.7
Total	93	100
Human Rights & Community	Frequency	Percent
Green	78	83.9
Orange	6	6.5
Yellow	9	9.7
Total	93	100
Labour Rights & Supply Chain	Frequency	Percent
Green	68	73.1
Orange	2	2.2
Yellow	23	24.7
Total	93	100
Governance	Frequency	Percent
Green	60	64.5
Orange	1	1.1
Yellow	32	34.4
Total	93	100

Source: Researchers’ Computations

Environment: A very large majority of companies (91.4%) have a strong environmental record with minimal controversies.

Social: Social controversies are more evenly distributed. Nearly half of the companies are non-controversial, but a significant portion (about 50%) has moderate or high controversy.

Customers: Customer-related controversies are low, with nearly three-quarters of companies rated Green.

Human Rights & Community: This is a strong area for most companies, with over 80% showing minimal controversy.

Labour Rights & Supply Chain: Though most companies show good performance, labor and supply chain issues still affect nearly 1 in 4 companies moderately.

Governance: Governance issues are present in about 1/3rd of companies, though only a few show high levels of controversy.

The strongest areas for the companies are Environment and Human Rights, with over 80% Green ratings. Social and Governance have the most room for improvement, showing higher percentages of Yellow and

Orange. Labour Rights also warrant attention due to a quarter of companies being rated Yellow. Very few companies fall into the Orange (high controversy) category across any dimension, which is a positive overall.

Table 4.3 Sectoral Analysis of ESG Controversy Mapping of NSE 100 Companies

Industry	Environment			Social			Governance		
	Green	Orange	Yellow	Green	Orange	Yellow	Green	Orange	Yellow
Aerospace & Defence	2	0	0	1	0	1	0	0	2
Airlines	1	0	0	1	0	0	0	0	1
Auto Ancillaries - Auto, Truck & Motorcycle Parts	2	0	0	2	0	0	2	0	0
Automobile - 2 & 3 Wheelers	3	0	0	2	0	1	0	0	3
Automobile - Auto & Truck Manufacturers	1	0	0	0	0	1	0	0	1
Automobile - LCVS/ HVCS	2	0	0	1	0	1	2	0	0
Automobile - Passenger Cars	1	0	0	0	0	1	1	0	0
Bank - Private	5	0	0	3	0	2	1	1	3
Bank - Public	3	0	0	1	0	2	2	0	1
Beverages	1	0	0	1	0	0	1	0	0
Breweries & Distilleries	1	0	0	1	0	0	1	0	0
Cement	3	0	0	0	1	2	2	0	1
Coal	1	0	0	0	1	0	1	0	0
Construction - Residential & Commercial Complexes	2	0	0	2	0	0	2	0	0
Consumer Food	2	0	0	1	0	1	2	0	0
Diamond & Jewellery	1	0	0	1	0	0	1	0	0
Diversified	2	0	0	1	0	1	2	0	0
Diversified chemicals	1	0	0	1	0	0	1	0	0
Electric Equipment	3	0	0	3	0	0	3	0	0
Engineering - Industrial Equipments	0	0	1	1	0	0	1	0	0
Engineering & Construction	1	0	0	0	0	1	0	0	1
Finance - Investment	1	0	0	1	0	0	0	0	1
Finance - NBFC	4	0	0	4	0	0	3	0	1
Finance - Others	1	0	0	1	0	0	1	0	0
Finance Term Lending	2	0	0	2	0	0	2	0	0
Gas Distribution	1	0	0	1	0	0	0	0	1
Hospital & Healthcare Services	1	0	0	1	0	0	0	0	1
Household & Personal Products	3	0	0	1	2	0	3	0	0
Iron & Steel	2	0	2	0	1	3	0	0	4
IT Services & Consulting	6	0	0	1	1	4	5	0	1
Life & Health Insurance	3	0	0	2	0	1	2	0	1
Metals - Non Ferrous	0	0	1	0	0	1	0	0	1
Misc. Commercial Services	1	0	0	1	0	0	1	0	0
Multiline Insurance & Brokers	1	0	0	1	0	0	1	0	0
Oil Exploration and Production	1	0	1	0	1	1	1	0	1
Online Services	2	0	0	1	0	1	1	0	1
Paints	1	0	0	0	0	1	1	0	0
Pharmaceuticals & Drugs	6	0	0	2	0	4	4	0	2

Industry	Environment			Social			Governance		
	Green	Orange	Yellow	Green	Orange	Yellow	Green	Orange	Yellow
Power Generation/Distribution	5	0	1	2	1	3	5	0	1
Refineries	2	0	0	0	0	2	2	0	0
Retailing	2	0	0	2	0	0	2	0	0
Tea/Coffee	1	0	0	0	0	1	1	0	0
Telecommunication - Service Provider	1	0	0	0	0	1	0	0	1
Trading	0	1	0	0	1	0	0	0	1
Transport Infrastructure	0	1	0	0	1	0	0	0	1

Source: Researchers' Computations

Best Performing Sectors (All Green or Mostly Green)

These sectors exhibit low controversy across all ESG pillars:

- Auto Ancillaries
- Diversified Chemicals
- Electric Equipment
- Finance – NBFC
- Finance – Term Lending
- IT Services & Consulting
- Multiline Insurance & Brokers
- Retailing
- Misc. Commercial Services
- Diamond & Jewellery
- Breweries & Distilleries

These industries reflect strong ESG practices, particularly in governance and environmental domains.

Sectors with Moderate/High Social or Governance Concerns

- Automobile Sector (2 & 3 Wheelers / Passenger Cars / Trucks)

Social controversies (Yellow) in several sub-segments.

Governance issues (multiple Yellow ratings).

- Pharmaceuticals & Drugs

Strong in Environment (6 Green).

Social: 4 companies in Yellow – potential for employee/customer-related concerns.

Governance: 2 in Yellow.

- Iron & Steel

Social: High concern with 3 Yellow and 1 Orange.

Governance: 4 companies in Yellow – substantial room for improvement.

- Power Generation/Distribution

Environment: 5 Green and 1 Yellow – good.

Social: 3 Yellow and 1 Orange – suggests stakeholder concerns.

Governance: mostly Green, but 1 Yellow.

High-Risk Sectors (Red Flags / Orange Controversies Present)

- Cement

Social: 1 Orange, 2 Yellow – employee/community-related controversies.

Governance: 1 Yellow.

- IT Services & Consulting

Social: 4 Yellow, 1 Orange – may indicate employee issues or data/privacy concerns.

Governance: Mostly Green, but 1 Yellow.

- Trading & Transport Infrastructure

Environment: 1 Orange each.

Social & Governance: Also showing Yellow – suggests poor ESG management across all dimensions.

Sector Key Issues Identified

Banks (Public & Private) Social & Governance concerns exist (2+ Yellow each).

Construction Relatively clean ESG record – mostly Green.

Telecommunication Low Environment score, Yellow in Social & Governance.

Hospital & Healthcare	Strong in Environment, some Governance Yellow.
Oil Exploration & Refining	More mixed – 1 Orange in Social; Environment clean.
Tea/Coffee	Environment and Governance are Green; Social is Yellow.
Metals & Mining	Environment & Governance Yellow; more scrutiny needed.

Summary of ESG Pillar Patterns

Environment	Strong across most sectors, very few Orange ratings.
Social	Most variability; many Yellow and some Orange.
Governance	Mostly good, though Banks, Pharma, and IT have issues.

- Top ESG-Conscious Sectors: Diversified Chemicals, Finance NBFC, Retailing, Auto Ancillaries.
- Watchlist Sectors (Moderate to High Risk): Pharmaceuticals, Iron & Steel, Cement, IT Services, Power Generation, Trading, Transport Infra.
- Focus Area for Improvement: Social Dimension, especially employee treatment, community relations, and customer responsibility.

DISCUSSIONS

The present study aimed to assess the ESG (Environmental, Social, and Governance) Controversy Ratings of NIFTY 100 companies on a sectoral basis. The analysis reveals significant inter-sectoral variation in controversy levels under each ESG pillar.

Environment-Related Findings

- Most sectors demonstrated strong environmental performance, with a majority of companies receiving Green ratings.
- Sectors like Power Generation & Distribution, Diversified Chemicals, Auto Ancillaries, and Finance – NBFC showed consistent Green ratings, indicating robust environmental compliance.
- Only a few sectors reported Orange ratings, including Trading and Transport Infrastructure, suggesting significant environmental controversies.

Social-Related Findings

- The Social pillar witnessed the most variability in controversy ratings.
- Several sectors, such as IT Services, Pharmaceuticals, Iron & Steel, and Cement, had a relatively higher number of Yellow and Orange ratings, pointing to issues concerning labor practices, employee treatment, and community impact.
- Despite good environmental performance, sectors like Banks, Automobile, and Power had moderate social controversies.

Governance-Related Findings

- Governance practices were generally strong across most sectors, with high Green ratings.
- However, Banks (Public & Private), Pharmaceuticals, Iron & Steel, and IT Services showed notable Yellow ratings, reflecting governance lapses or lack of transparency in some firms.
- Sectors such as Retailing, Auto Ancillaries, and NBFCs showcased exemplary governance performance with entirely Green ratings.

CONCLUSIONS

Environmental controversies are minimal across NIFTY 100 companies, reflecting adherence to environmental norms and sustainability goals in most sectors.

Social controversies are the most pressing concern, with multiple sectors needing improvement in stakeholder engagement, labor rights, and community relations.

Governance structures are generally strong, though there are pockets of risk in highly regulated or complex sectors such as banking and healthcare.

The study establishes that ESG controversy patterns are sector-specific, underscoring the need for customized ESG frameworks for different industries.

Suggestions

A. For Policymakers and Regulators

Strengthen monitoring mechanisms for Social ESG parameters, particularly in sectors with high stakeholder exposure.

Encourage sector-specific ESG disclosure norms tailored to industry risks and stakeholder impact.

B. For Companies

Invest in employee welfare, community relations, and data protection, especially in IT, Pharma, and Infrastructure sectors.

Regularly audit and enhance governance policies, especially for firms in banking, public sector undertakings, and healthcare.

Maintain transparency and proactive reporting to minimize controversy exposure and build stakeholder trust.

C. For Investors

Use ESG controversy ratings as an integral part of investment decision-making to manage long-term risk.

Diversify portfolios by including companies or sectors with consistently low controversy ratings, such as NBFCs, Retail, and Auto Ancillaries.

D. For Future Research

Conduct longitudinal studies to track changes in ESG controversies over time.

Explore the impact of ESG controversies on financial performance and market valuation.

While NIFTY 100 companies are largely aligned with environmental and governance expectations, a strategic and focused approach is required to improve social responsibility performance. Sector-wise ESG ratings provide valuable insights for building resilient, responsible, and sustainable businesses in India.

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