

Environmental,
Social &
Governance (ESG)
Reporting agenda
in the Indian
context

AGENDA FOR TODAY



- ESG: Background & Introduction
- ESG in the news: Globally and in India
- ESG: Business case for Indian companies
- ESG Reporting & Frameworks
- ESG: An Accounting perspective
- ESG Reporting: Pain points for companies
- ESG: What's next?

GLOBAL CHALLENGES

Climate change, rising inequality, biodiversity loss present global challenges for global businesses and societies

Top Risks

by likelihood

- 1 Extreme weather
- 2 Climate action failure
- 3 Human environmental damage
- 4 Infectious diseases
- 5 Biodiversity loss
- 6 Digital power concentration
- 7 Digital inequality
- 8 Interstate relations fracture
- 9 Cybersecurity failure
- 10 Livelihood crises

Top Risks

by impact

- 1 Infectious diseases
- 2 Climate action failure
- 3 Weapons of mass destruction
- 4 Biodiversity loss
- 5 Natural resource crises
- 6 Human environmental damage
- 7 Livelihood crises
- 8 Extreme weather
- 9 Debt crises
- 10 IT infrastructure breakdown

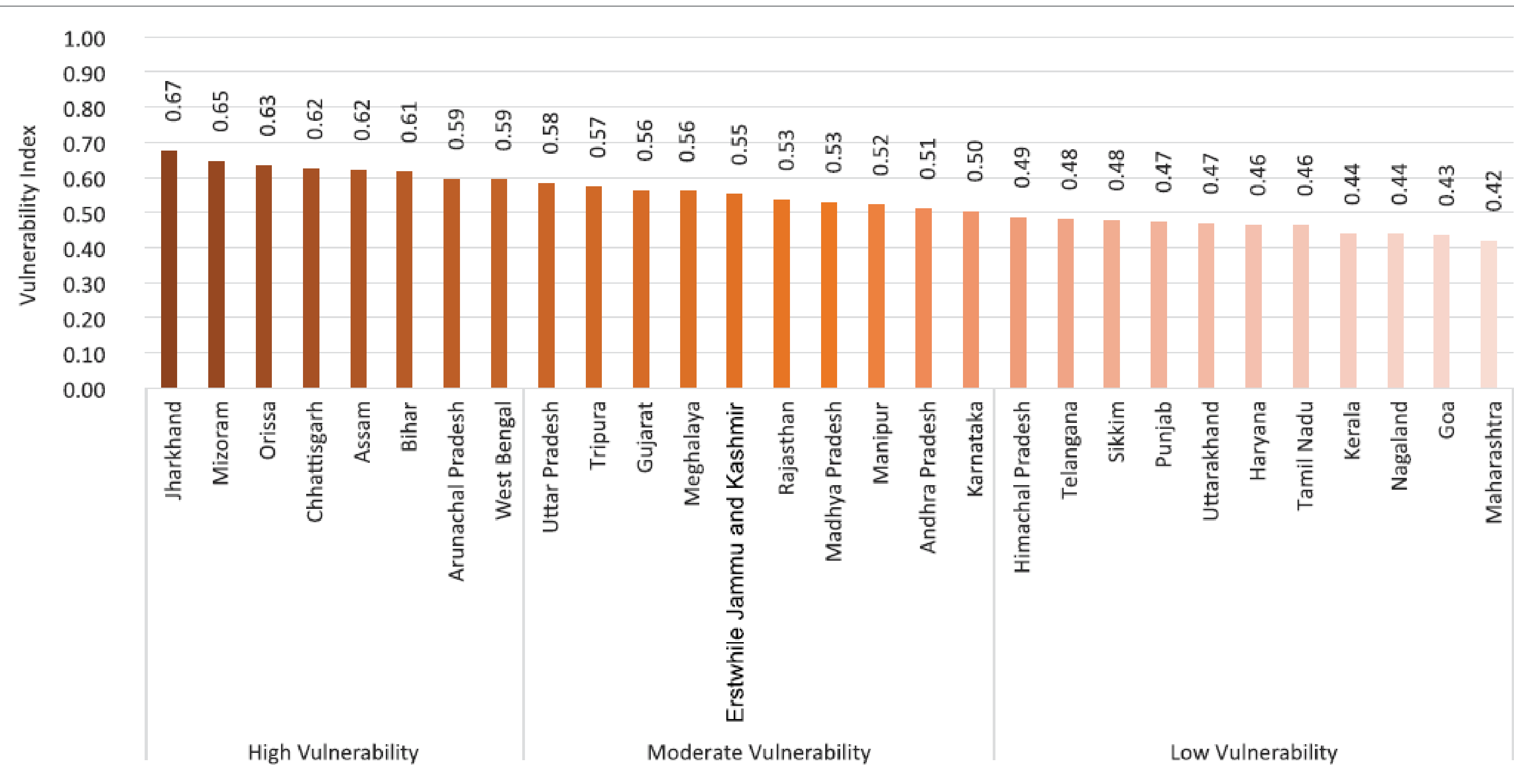
Risk categories

- ◆ Economic
- ◆ Environmental
- ◆ Geopolitical
- ◆ Societal
- ◆ Technological

Source: WEF The Global Risks report 2021

CHALLENGES FOR INDIA

Indian businesses and societies will also be significantly impacted by climate change



Report highlights:

- 14 indicators
- Socio-economic features & livelihood
- Biophysical aspects
- Institution & Infrastructure
- Considers sensitivity & adaptive capacity of each state

Figure 4: Vulnerability indices of the Indian states, their categorisation, and corresponding ranks

Source: Climate Vulnerability Assessment for Adaptation Planning in India using a common framework, April 2021

ESG: INTRODUCTION

ENVIRONMENTAL

Considers how a company performs as a steward of nature

SOCIAL

Examines how a company manages its employees, suppliers, customers and community

GOVERNANCE

Deals with how a company is governed



October 03, 2019
Enel signs first credit line linked to United Nations sustainable development goals

Unilever promises all suppliers will pay a living wage by 2030

Carlyle Inks \$4.1 Billion Credit Line Linked to Board Diversity

Rio Tinto CEO and senior executives resign from company after Juukan Gorge debacle

Investors accuse 37 Indian companies of hiding environmental impact information



Apple links executive pay to performance against ESG targets

Apple's 2030 carbon-neutral pledge covers itself and suppliers

UK to Institute Mandatory Disclosure of Net Zero Transition Plans

BNP Paribas Launches Fund Focused on Diversity and Inclusive Growth

WBCSD, Leading Businesses Launch Vision and Pathways to Global Sustainable Transformation

ESG: RECENT GLOBAL UPDATES

Significant progress on the climate agenda during COP26 summit

ENDING DEFORESTATION

To end deforestation by 2030

COP26: World leaders promise to end deforestation by 2030

METHANE REDUCTION

Countries pledge to cut methane emissions by 30%

COP26: 105 countries pledge to cut methane emissions by 30 per cent

CLIMATE FINANCE

Countries promised to increase funding

A few countries **promised to increase funding** to help developing countries cut their emissions and cope with the effects of climate change. Among them, Japan pledged an additional \$2 billion per year for the next five years, and Italy pledged an extra \$1.4 billion per year. Climate finance is expected to be included in COP26's final agreement.

NET ZERO PLEDGES

Firms have committed to use their funds to reach net-zero emissions

More than 450 banks, insurers, pension funds, and other firms that collectively manage \$130 trillion committed to use their funds to **reach net-zero emissions** by 2050.

ESG: DEVELOPMENTS IN INDIA



Mandatory ESG disclosures

Top 1000 Indian companies (by market cap) mandated by SEBI to disclose ESG data from FY2022-23 - 10x increase in 9 years (2012-2021)

Sebi proposes new norms for mutual funds' ESG investments

Now is the right time for businesses to ride the ESG wave

Business leaders must not only get their ESG priorities right but also make sure it is an integral part of the organisation's culture and DNA

Sebi's proposed ESG disclosure to address risk of 'green washing': Experts

ESG: DEVELOPMENTS IN INDIA

2

Growth of ESG linked capital markets

ESG focused mutual funds have grown 4.7x in 2 years (2019-2021). AUM: INR 12,320 crore (top 10 funds)

ESG investments are fast gaining traction in India

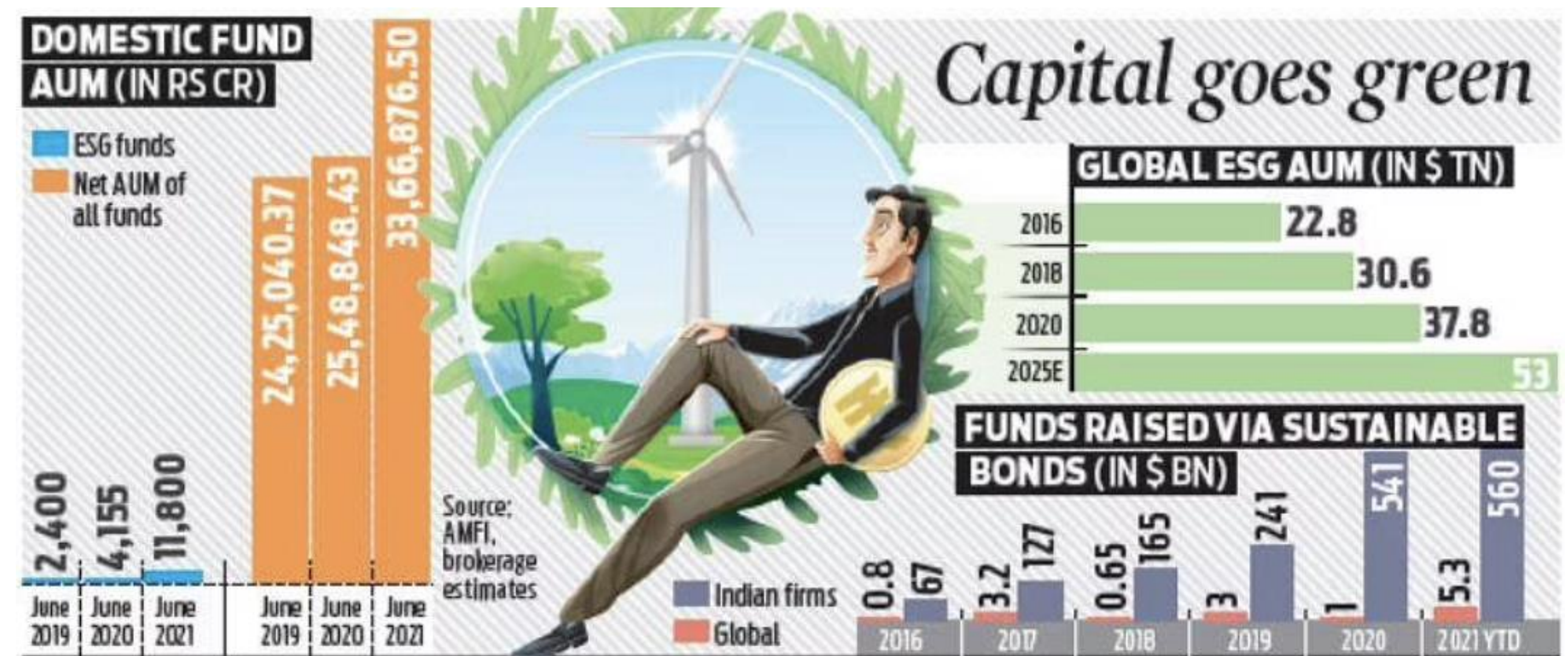
Acuité launches India's first ESG rating company

Socially responsible investing: Indian investors are taking to ESG investments

Outperformance of the three sustainability indices of India over the Sensex during the Covid-19 crisis indicates the importance of sustainability index investing in India

India Inc rapidly turning green in hunt for capital

ESG-focussed funds skip businesses with large carbon footprints



ESG: DEVELOPMENTS IN INDIA



Climate commitments of Indian multinationals

Indian companies are making net-zero and sustainability commitments & initiatives

COP26: India PM Narendra Modi pledges net zero by 2070

Reliance to invest ₹75,000 crore in 'new energy'

Tata Group makes compliance to ESG standards top priority

24 companies, including Tata & RIL, pledge to be 'carbon neutral'

<p>TATA CONSULTANCY SERVICES YEAR: 2030 PLAN OF ACTION:</p> <ul style="list-style-type: none"> Plans to reduce its absolute greenhouse gas emissions by 70% by 2025 TCS' specific carbon footprint was lower by 61.6% ov FY2008. 	<p>AMBUJA CEMENT YEAR: 2030 PLAN OF ACTION:</p> <ul style="list-style-type: none"> Targets to reuse 13.5 million tonnes of waste Aims to save 77 litre/ t cem of water Aims to reduce CO2 to 463 kg CO2/t cem 	<p>L&T YEAR: 2040 PLAN OF ACTION:</p> <ul style="list-style-type: none"> Aims water neutrality by 2035 Aims at material recycling 22% of input material comes from recycled/eco-friendly sources Nature conservation and promoting biodiversity 	<p>M&M YEAR: 2040 PLAN OF ACTION:</p> <ul style="list-style-type: none"> Target 5 million tree plantation under our Project Hariyali Sending zero waste to landfills Water recyclability (being achieved this year 2021)
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ESG: DEVELOPMENTS IN INDIA

4

ESG goals of global multinationals

Indian companies working with top global firms will need to consider sustainability and wider ESG aspects

Apple's 2030 carbon-neutral pledge covers itself and suppliers

Goldman says ESG finance to become 'core part' of strategy

ENVIRONMENT

Investors accuse 37 Indian companies of hiding environmental impact information

Unilever promises all suppliers will pay a living wage by 2030

ESG: BUSINESS CASE FOR INDIAN COMPANIES



Superior performance: Companies that focus on ESG criteria outperform those that don't

Fidelity's Putting Sustainability to the Test report, Nov 2020



Studies by consulting firms:

- Higher margins and valuations (2017 BCG study)
- ESG programs will contribute more shareholder value in five years than today (McKinsey Global Survey (Feb 2020))

McKinsey Sustainability



ESG-rated stocks and bonds outperform in 2020: Fidelity research

Most ESG funds outperformed S&P 500 in early 2021 as studies debate why

Top 50 ESG investments outpace benchmark index Nifty50

ESG Funds Outperform Their Peers

Sustainability shows benefits, like revenue opportunities and enhancing the public image.

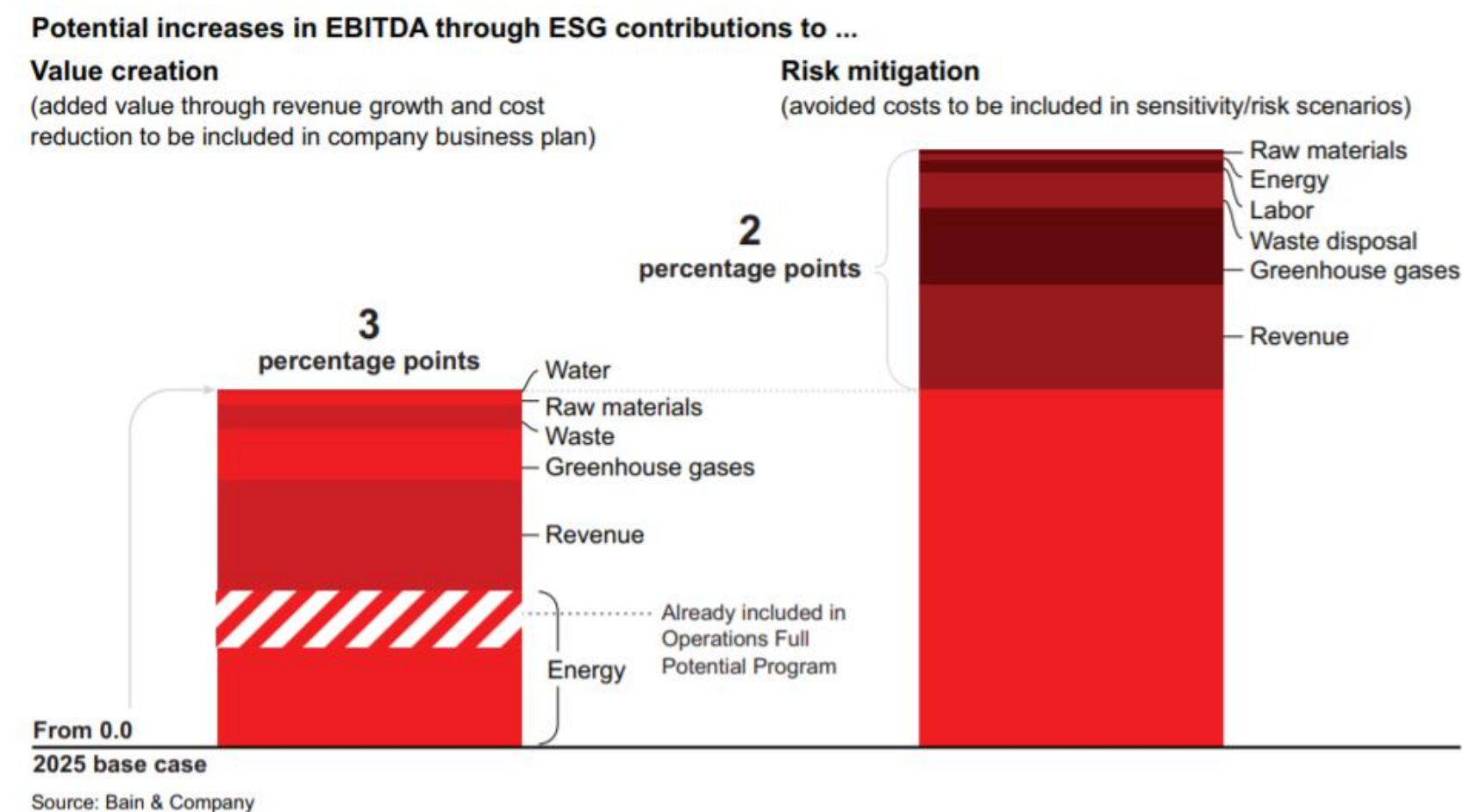
Nifty ESG beats Nifty50 in last one year as Indians take to conscious investing

ESG: BUSINESS CASE FOR INDIAN COMPANIES



Competitive advantage: Gain competitive advantage by combining operational efficiencies & entering new markets in-line with changing customer preferences

Figure 6: One PE owner plans to use ESG initiatives to boost cash flow at a recently acquired paper company



Bain article: <https://www.bain.com/client-results/a-paper-company-takes-bold-steps-to-become-a-sustainability-leader/>



Global Plant Based Meat Market Report 2021-2027:
Market is Forecast to Reach \$14.9 Billion -
Opportunities in Innovation, New Product Launches,
Partnership and Merger & Acquisition

April 02, 2021 05:38 ET | Source: Research and Markets

ABInBev

- Partnerships with suppliers on sustainability initiatives like Carbon footprint reductions, alternative fuels, increased recycling content, reduction in energy usage, etc.
- Plans to achieve \$80m costs savings over 5-years through 100+ Accelerator initiative
- <https://www.ab-inbev.com/content/dam/abinbev/news-media/press-releases/2021/02/AB%20InBev%20ESG%20Report%202020%20HD%20Final.pdf>

Firms can generate value through:

- Price premiums
- Cost savings
- Resource efficiencies
- Valuation premiums
- Growth and expansion
- Reduced risk

ESG: BUSINESS CASE FOR INDIAN COMPANIES



Access to capital markets & lower cost of funding: Companies can get easy access to capital from local & global capital markets and also reduce borrowing costs by linking funds to ESG parameters

Adani Green Energy raises \$750 mn from green bond sale



With the latest bond sale, AGEL has completed the final phase of its capital management plan

1 min read . Updated: 02 Sep 2021, 10:53 PM IST

CFO JOURNAL

More CFOs Add Sustainability Targets to Corporate Loans

The volume of such loans has grown in recent months as companies face pressure to go green

Inflows of sustainable funds surge 76% to Rs 3,686 cr in FY21

Updated: Apr 22, 2021, 06:54 PM IST

Half world's fossil fuel assets could become worthless by 2036 in net zero transition

20 July 2021

ESG FINANCING OPENS DOOR TO LOWER FINANCING COSTS AND BROADER SUSTAINABILITY STRATEGY

US bank BNY Mellon cuts ties with Adani's Carmichael coalmine

Bank says Queensland mine and rail line do not fit in with its environmental, social and governance principles

ESG: BUSINESS CASE FOR INDIAN COMPANIES



Manage risks: With increasing scrutiny, focus on ESG aspects of business operations helps manage/mitigate reputational and financial risks

Companies failing to act on ESG issues risk losing investors, finds new PwC survey

28/10/21

Boohoo loses £1 billion off its value after 'modern slavery' claims

FASHION - NEWS

Workers in one supplier factory were allegedly paid £3.50 an hour, with no access to hand sanitiser or masks to protect against coronavirus

Climate risks to add \$183bn to property insurance costs by 2040, Swiss Re predicts

Wildfires, winter storms and floods have already made 2021 costly for the industry

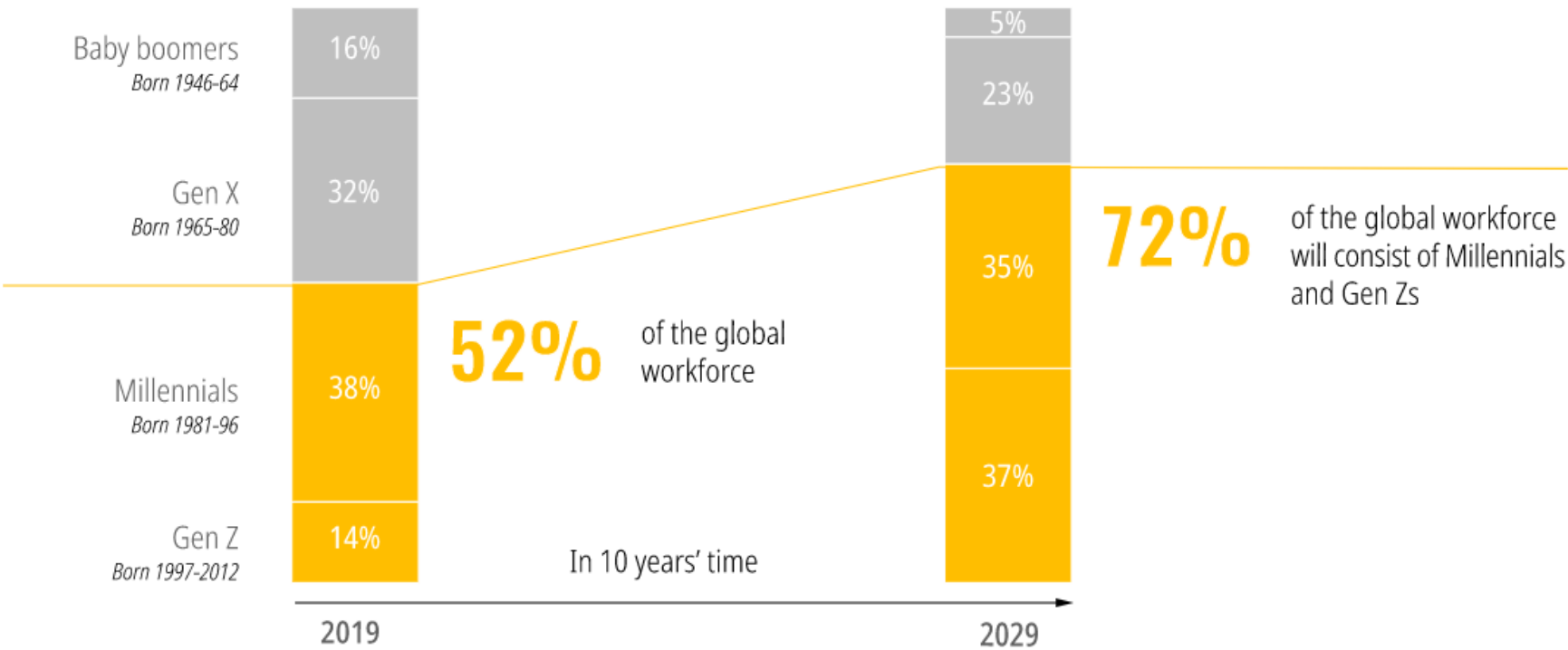
ESG: BUSINESS CASE FOR INDIAN COMPANIES



Attracting and retaining talent: Employees are increasingly preferring companies that demonstrate responsible behavior and a purpose

Mercer study (<https://www.marshmcclennan.com/esg-interactive.html>)

ESG performance will become increasingly important to attracting and retaining talent as Millennials and Gen Z come to make up most of the global workforce.



Note: Analysis uses ILOSTAT data from Q4 2019. Generation definitions are from Pew Research Center

Employers with an **attractive image among young talent** are...

ESG OUTPERFORMERS

Companies most attractive to students and young professionals have ESG scores 25% higher than the global average, likely due to their strong environmental scores.

Eager prospective employees strengthen a company's talent pipeline and ensure the availability of crucial human capital.

AVERAGE ESG SCORES
0-10 scale, 2019

AVERAGE ENVIRONMENTAL SCORES



Oil and gas majors compete to recruit talent in shift to greener future

ESG key to securing talent amid skills shortages

25th October 2021

ESG: BUSINESS CASE FOR INDIAN COMPANIES



Stakeholder engagement & regulatory compliance: Meet investor and other stakeholder requirements and regulatory reporting requirements (SEBI)

Mandatory BRSR reporting for top 1,000 listed companies from FY2022-23

UK Makes it Official: Mandatory Climate Disclosure to Become Law

Posted by Mark Segal | Oct 29, 2021 | ESG Reporting, Government | 1 ● | ★★★★★

S&P GLOBAL — 25 Aug, 2021

Companies, investors face new pressure from compulsory disclosure of climate risk

Sebi proposes new norms for mutual funds' ESG investments

Letter from US: SEC looks towards mandatory ESG disclosure by companies

BY MARIA TERESA COMETTO | SEPTEMBER 2021 (MAGAZINE)

Canada Moves Towards Mandatory Climate Disclosures

ESG REPORTING

There are various advantages of ESG reporting



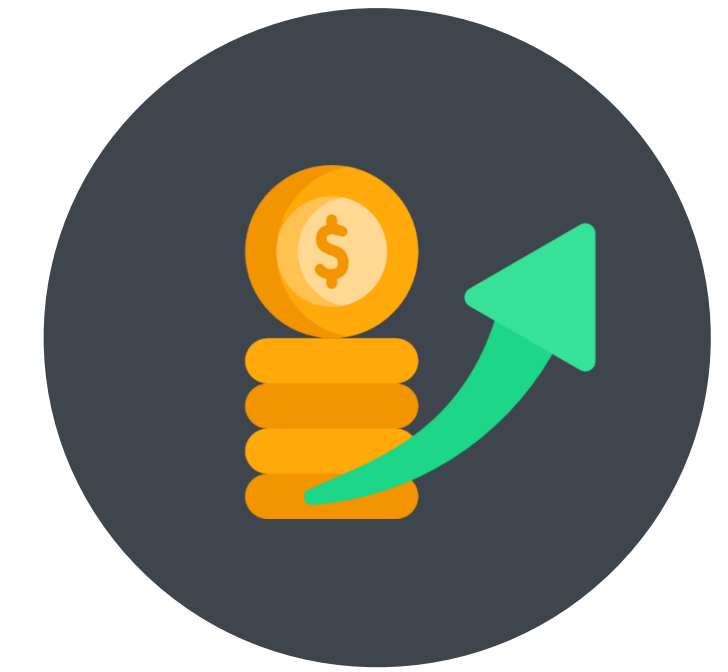
MANAGING
STAKEHOLDER
COMMUNICATION



IMPROVED ESG
RATING, ENHANCED
BRANDING



ACCESS TO CAPITAL &
LOWER BORROWING
COSTS



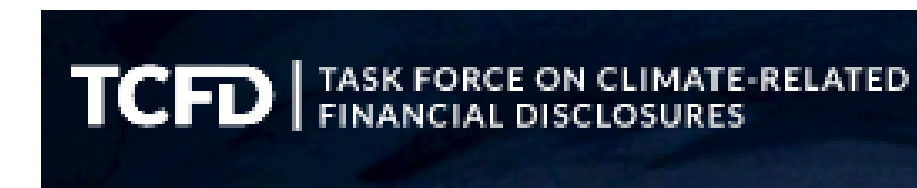
GREATER VALUE
CREATION THROUGH
IMPROVED STOCK
PERFORMANCE, M&A
DEAL VALUATION
PREMIUMS, ETC.

ESG REPORTING FRAMEWORKS

Different ESG reporting frameworks

(Primarily) Outward looking - Impact of company operations on environment & society

Inward looking - Impact of external environment on company



Sector specific (Investment industry)

Others



GRI



Purpose

Provides all organizations with standards for reporting material environmental, social, and economic performance and impacts, as well as organizational governance, to financial and other stakeholders.

Best for

Companies of any size, sector, or location

Information disclosed

General disclosures

such as governance, stakeholder engagement, and reporting practices

Economic

such as performance, market presence, and indirect economic impacts

Environmental

such as materials, energy, water, biodiversity, emissions, and waste impacts

Social

such as labor relations, health and safety, diversity, human rights, and community engagement

Source: https://bc-ccc.uberflip.com/i/1391357-corporatecitizens-issue37-2021/5?_ga=2.142931957.1374508509.1627911211-1900338130.1627911211

CDP



Purpose

Collects and analyzes environmental information disclosed by corporations and governments to help drive all organizations to measure, manage, and reduce their environmental footprint.

Best for

Publicly listed companies and suppliers looking to manage and disclose environmental footprint

Information disclosed

Climate change impacts

including greenhouse gas emissions and energy data

Water impacts

including use efficiency, quality, and ecosystem management

Forest impacts

for companies that overlap with commercial agriculture.

Also includes special considerations for biodiversity impacts, risks, and opportunities within the mining sector.



Source: https://bc-ccc.uberflip.com/i/1391357-corporatecitizens-issue37-2021/5?_ga=2.142931957.1374508509.1627911211-1900338130.1627911211

TCFD

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



Purpose

Disclosure standards launched by the Financial Stability Board (FSB), premised on the assumptions that climate risk is a form of financial risk and that it is non-diversifiable.

Best for

Companies seeking to plan for and mitigate climate-related risks

Information disclosed

Governance

such as how, and by whom, climate-related risks are identified, assessed, and communicated

Strategy

including how a changing climate affects it, and your plans / financial implications if it does

Risk Management

risks to your people, operations, customers, and communities where you operate due to a changing climate, and how you will respond

Metrics and Targets

such as how you are calculating impacts or the results of your actions or inactions, and how you are reducing your climate impacts

Source: https://bc-ccc.uberflip.com/i/1391357-corporatecitizens-issue37-2021/5?_ga=2.142931957.1374508509.1627911211-1900338130.1627911211

VRF/SASB



IIRC & SASB merged earlier in 2021 to form VALUE REPORTING FOUNDATION

Purpose

The international IR Framework establishes the guiding principles that underpin the SASB standards. The SASB standards are derived from the IR Framework, such that SASB and IIRC are considering a merger to unify the two into one cohesive system of corporate reporting.

Information disclosed

SASB metrics to include within IR Framework:

Environmental impacts

such as GHG emissions; air quality; energy, water, and waste management; and ecological impacts

Social capital

such as human rights and community relations; consumer privacy and data security; product quality, safety, and access; and customer welfare

Human capital

such as labor practices; employee health, safety, and engagement; and diversity and inclusion

Business model resilience and innovation

such as product lifecycle and supply chain management; and physical climate change impacts

Leadership and governance

such as business ethics, legal and regulatory environment, and risk management



Using IR

Framework

guidance for how information is structured/presented and topics covered

Industry-agnostic

Principles-based

High-level content elements

Drives connectivity of information



Using SASB

Standard

detailed requirements for reporting by topic and industry

Industry-specific

Metrics-based

Disclosure topics and metrics

Enables comparability of information

Source: https://bc-ccc.uberflip.com/i/1391357-corporatecitizens-issue37-2021/5?_ga=2.142931957.1374508509.1627911211-1900338130.1627911211

UN SDGs



Purpose

The 17 goals, adopted by the U.N. as part of the 2030 Agenda for Sustainable Development, provide a global blueprint to improve the lives and prospects of all people.

Best for

Companies with a global reach, especially those with cross-sector partnerships

Information disclosed

For each goal, there are sub-goals—or “targets”—and related indicators, all of which can be useful for tracking your company's progress. Learn more at sdgcompass.org.



Source: https://bc-ccc.uberflip.com/i/1391357-corporatecitizens-issue37-2021/5?_ga=2.142931957.1374508509.1627911211-1900338130.1627911211

ISSB

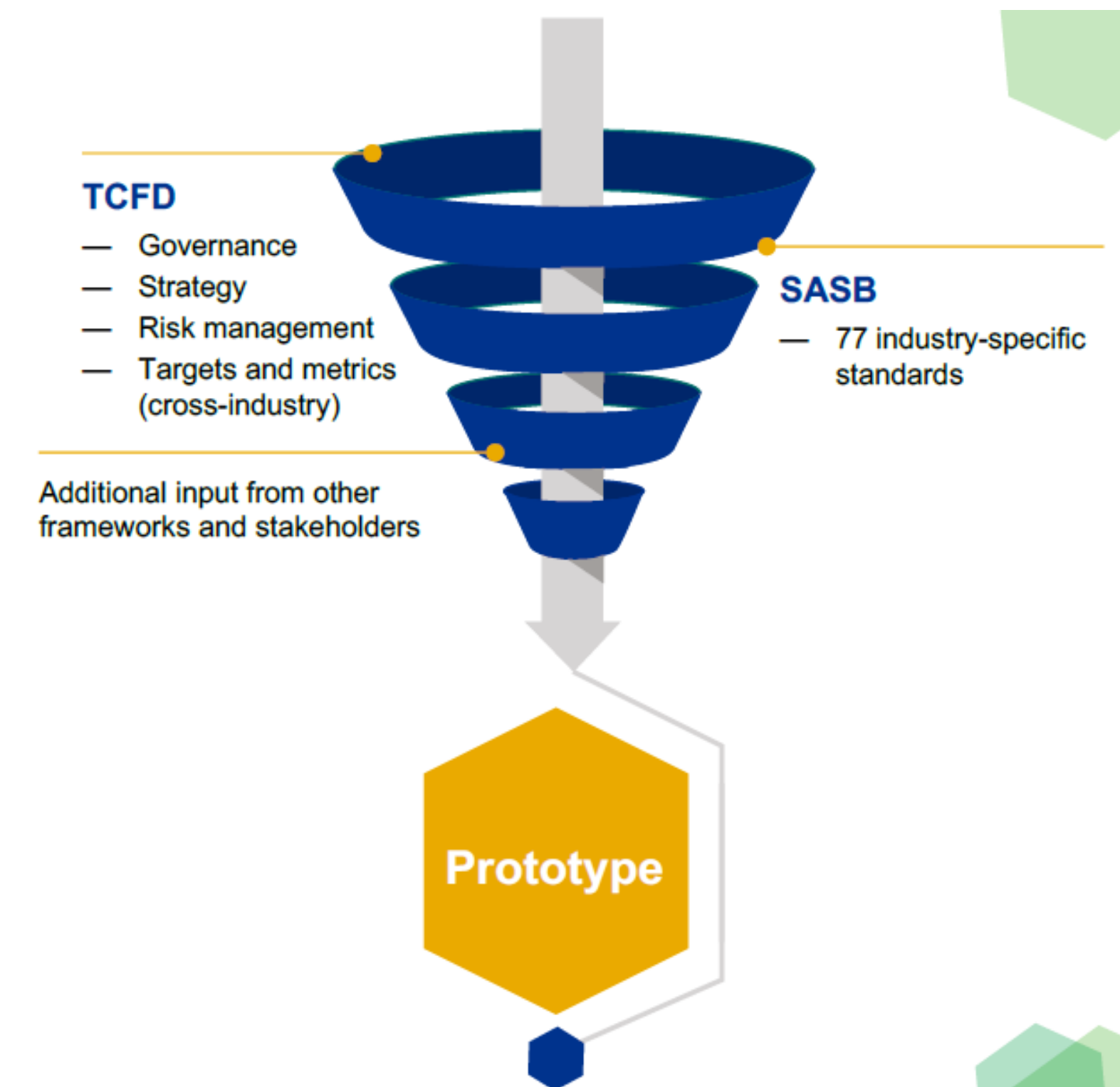
Background

- Announced by IFRS in November 2021 during COP26
- Aim is to bring sustainability reporting on an equivalent level as financial reporting
- Drive globally consistent, comparable and reliable sustainability reporting using a building blocks approach – countries can build on the global baseline set by ISSB
- By June 2022, the ISSB will consolidate with the Climate Disclosure Standards Board (CDSB) and the Value Reporting Foundation (VRF)

Source: <https://assets.kpmg/content/dam/kpmg/xx/pdf/2021/12/issb-sustainability-disclosures.pdf>

Prototype standards (Future IFRS Sustainability Disclosure Standards)

- Based on existing frameworks & standards – primarily TCFD & SASB



SEBI – BRSR REPORTING

Framework structured as three key sections

Section A: General disclosure

Basic information of the company

- size,
- location,
- products,
- number of employees,
- CSR activities

Section B: Management & Process

Policies and processes which are essential to ensuing action

- Disclose information on policies and processes in the organisation
- Principles concerning leadership, governance, and stakeholder engagement
- Wherever relevant, provide links to their websites where these policies are available

Section C: Principle-wise performance

Performance re each core element of the report

- Divided into Essential (mandatory) & Leadership (voluntary) categories
- 9 key principles/elements

BRSR REPORTING – SECTION A

General disclosures

1. Company details

- I. Company details
1. Corporate Identity Number (CIN) of the Company (if applicable):
2. [Name of the Company:](#)
3. [Year of incorporation:](#)
4. [Registered office address:](#)
5. [Corporate address:](#)
6. [E-mail:](#)
7. [Telephone:](#)
8. [Website:](#)
9. Financial year for which reporting is being done: **(Drop-Down List)**
10. Whether shares listed on recognized Stock Exchange(s): Yes/No
11. [Authorised Capital](#)
12. [Paid-up Capital](#)

2. Product/Services

- Top 3 by turnover

3. Operations

- Locations of plants
- Top 3 plants by turnover
- Proximity to protected reserves
- Markets served
- Employee composition & breakdown
- Subsidiary/ JV info
- CSR details
- Complaints/Grievances
- Top 3 high priority responsible business issues & approach to it

BRSR REPORTING – SECTION B

Management & processes

1. Confirmation re policies in place for all 9 principles

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Name your company's policy/policies that cover each principle and its core elements of the NGRBCs. <i>(Text Box for Name)</i>									
b. Has the policy been approved by the Board? (Yes/No) <i>(Radio Button)</i>									
c. Web Link of the Policies <i>(Text Box)</i>									
2. Whether the company has translated the policy into procedures. (Yes / No) <i>(Radio Button)</i>									
3. Do the enlisted policies extend to your value chain partners? (Yes/No) <i>(Radio Button)</i>									
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your company and mapped to each principle <i>(Text Box for Name)</i>									

2. Governance, Leadership & Oversight

- Director details
- Assessment of performance vs policies – review by committee

7. Details of Review of NGRBCs by the Company:

Subject for Review	Review undertaken by	Frequency (Annually/ Half yearly/ Quarterly) <i>(Drop Down List)</i>
Performance against above policies and follow up action	Board Committee	
	Any other Committee	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board Committee	
	Any other Committee	

3. Stakeholder engagement

- Stakeholder identification
- Frequency/channel of communication, etc.

Stakeholder Engagement

9. Describe the process of identifying key stakeholder groups of the company <i>(Text Box)</i>	
10. Mention the channels to communicate to stakeholders, features of your policies, procedures, decisions and performance that impact them and details and outcomes of its stakeholder engagement	(Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website) <i>(Drop Down List)</i> . In case of any other medium please specify. <i>(Text Box)</i>
11. What are the channels through which stakeholders can access information about the company on issues relevant to them?	(Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website) <i>(Drop Down List)</i> . In case of any other medium please specify. <i>(Text Box)</i>

BRSR REPORTING – SECTION C

Principle-wise performance

P1. Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable

- No of trainings with a breakdown across employee category (BoD, KMP, Other employees, workmen)
- No of meeting/dialogues with shareholders re sustainability
- Details of fines/penalties/punishment, etc. (monetary and non-monetary)
- Details re appeals/revision
- No of complaints/bribery cases/corruption cases
- Details of disclosure of interest involving members of Board

BRSR REPORTING – SECTION C (CONT.)

Principle-wise performance

P2. Businesses should provide goods and services in a manner that is sustainable and safe

- Has company conducted LCA for top 3 products?
- Top 3 products – measures taken to reduce adverse environmental and social impact
- R&D and CAPEX in technologies to improve E and S impacts
- Policy re sustainable sourcing, proportion of materials sourced sustainably?
- % of raw materials sourced from suppliers?
- processes in place to safely collect, reuse, recycle and dispose after sale and at the end of life of your products: for plastics, e-waste and other waste

BRSR REPORTING – SECTION C (CONT.)

Principle-wise performance

P3. Businesses should respect and promote the well-being of all employees, including those in their value chains

- Breakdown of welfare measures (health insurance, accident insurance, maternity & paternity benefits, day care) for: employees, differently-abled employees, and workmen
- Details of statutory dues
- Y/N – available mechanism to receive & redress grievances
- No of complaints
- % of membership in unions/association
- Assessment of operations for child labour, H&S, sexual harassment
- Data re Minimum wages, safe incidents, trainings
- Measures to ensure safety and healthy workplace

BRSR REPORTING – SECTION C (CONT.)

Principle-wise performance

P4. Businesses should respect the interests of and be responsive to all its stakeholders

- Stakeholder groups identified as key for your company
- Frequency of communication
- Channels of communication
- Whether ESG issues discussed

BRSR REPORTING – SECTION C (CONT.)

Principle-wise performance

P5. Businesses should respect and promote human rights

- Data re training on human rights – breakdown per employee category
- Details of remuneration – BoD, KMPs, Others (including differently-abled)
- Y/N - Contact for human rights
- Describe internal mechanism in place for human rights issues
- Stakeholder groups covered
- Details of grievances
- Y/N - Do human rights form part of your business agreements

BRSR REPORTING – SECTION C (CONT.)

Principle-wise performance

P6. Businesses should respect and make efforts to protect and restore the environment

- Details (if yes) of strategies/initiatives for environmental issues – climate change, pandemic, natural disasters
- Details of projects (if any) re low carbon
- Y/N - Waste/emissions exceeded regulatory limits?
- Material E risks – mitigation measures (land use, emissions, water, energy, biodiversity)
- Energy and water consumption
- GHG emissions details for top 3 plants
- % of solid waste generated and sent to landfill

BRSR REPORTING – SECTION C (CONT.)

Principle-wise performance

P7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

- Number and details (top 10) of associations you are member of
- Details of adverse judicial or regulatory orders for anti-competitive conduct

BRSR REPORTING – SECTION C (CONT.)

Principle-wise performance

P8. Businesses should promote inclusive growth and equitable development

- Details of Social Impact Assessment (SIA) undertaken
- Info on projects where rehabilitation and restoration is being undertaken
- CSR projects in designated aspirational districts
- Describe mechanism to address community grievances
- Benefits from IP from traditional knowledge
- List of adverse orders/case details of IP rights related to traditional knowledge

BRSR REPORTING – SECTION C (CONT.)

Principle-wise performance

P9: Businesses should engage with and provide value to their consumers in a responsible manner

- Describe mechanism to address consumer complaints
- % of products carrying E & S information
- Number of consumer complaints received

KEY ESG METRICS

Indicative list of key ESG data/information to consider



Environmental data

GHG Emissions

Raw Material usage

Energy consumption

Water consumption

Waste management

Procurement data



Social responsibility related data

Employee diversity

Trainings

Workforce data

Safety incidents

Grievances

Human rights



Governance related information

Ethics

Accountability

Stakeholder comms

Governance

Leadership initiatives

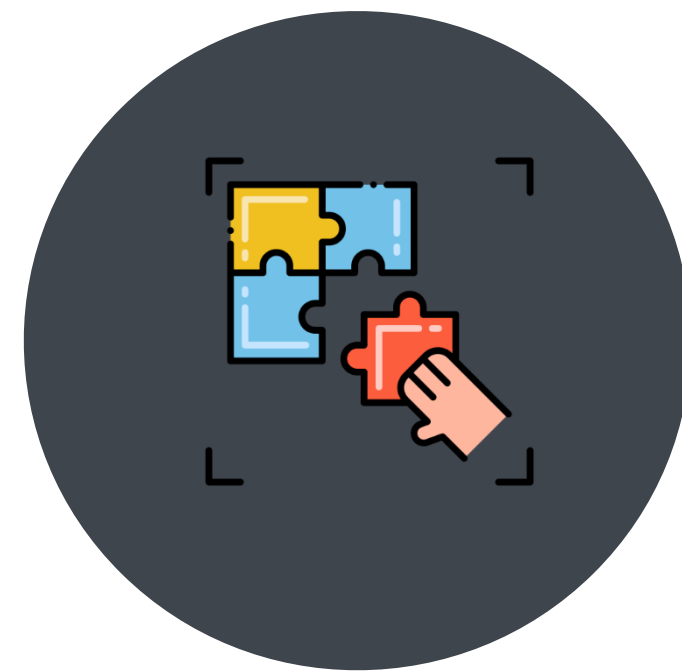
CSR

ESG: AN AUDIT PERSPECTIVE

What does this growing focus on ESG mean for the accounting profession?



DISCLOSURE IN
FINANCIAL
STATEMENTS &
CERTIFICATION/SIGN-
OFF



NEED TO
UNDERSTAND ESG
FRAMEWORKS



NEED TO UNDERSTAND
CALCULATION
METHODOLOGY FOR
ESG METRICS (E.G.,
GREENHOUSE GAS
EMISSIONS)



HELP IN RISK
MANAGEMENT &
VALUE CREATION

ESG REPORTING: THE PROBLEM

Companies don't know or are struggling to manage their ESG requirements



CHAOTIC AND LARGE SPREADSHEETS



DIFFICULTY IN CONSOLIDATING AND COMPUTATION



LIMITED KNOWLEDGE ABOUT APPLICABLE ESG FRAMEWORKS

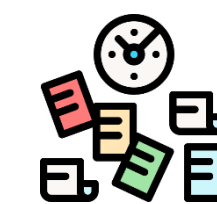


LACK OF ACCESS TO INSTANT ESG DATA

Manual Approach

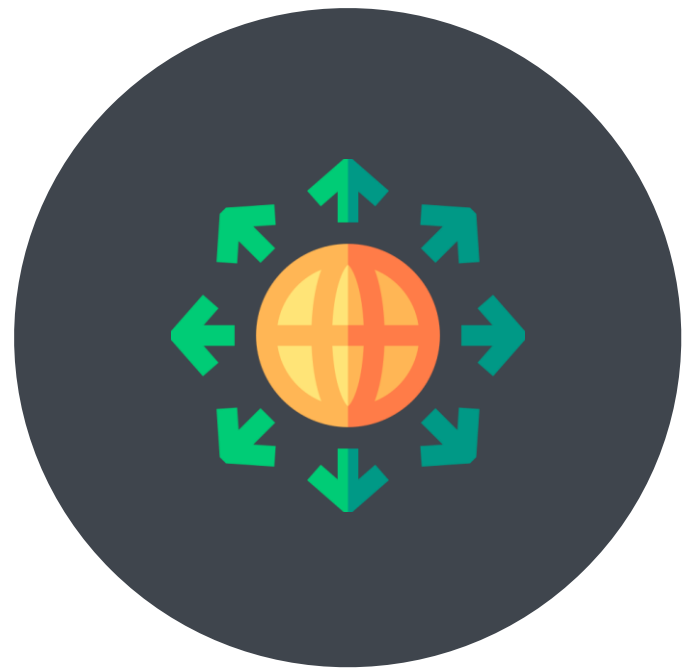


2.1x times more costs



20x times more time

ESG: WHATS NEXT?



SCOPE FOR
REPORTING WILL
EXPAND



SUSTAINABILITY
FOCUSSED FINANCE



CONVERGENCE OF
ESG FRAMEWORKS



USE OF TECHNOLOGY
TO MEET
SUSTAINABILITY/
WIDER ESG GOALS

Q&A



Content of this presentation is generic and for discussion purposes only.
It should not be constituted as any business advice.



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