



# DEMYSTIFYING THE ESG LANDSCAPE IN INDIA

Report

March 2023



# Foreword



Environment, Social and Governance (ESG) parameters help represent how a company interacts with all stakeholders. It is used to quantify this interaction and score the performance of each company. Better compliance is denoted by a better score, which in turn highlights sustainable practices, better employee welfare and strong leadership. There are various reporting frameworks that can be used to calculate ESG scores. Previously, ESG-compliant companies saved on costs incurred due to unsustainable practices and find it easier to clear regulatory requirements and licensing.

The ongoing climate crisis, economic slowdown, and the recent brush with the COVID-19 pandemic have all but highlighted the need for companies that are sustainable, prioritize employees and are run by strong leadership. And these are but three select examples. As we move into 2023, investors are increasingly focusing on adding ESG-compliant companies to their portfolios. Another interesting emerging trend is on the consumer side: how a sustainable brand perception helps companies gain customer loyalty. The effects of good Governance and a focus on employee well-being are multi-fold. The ESG wave is gaining momentum in India for the

right reasons. Recently, SEBI made it mandatory for the top 1000 companies by market cap to submit BRSR reports. This is likely to help increase compliance, and more such regulations especially on the environmental side are expected to be observed in the near future.

This report is intended to highlight the unfolding ESG landscape in India, bring insights into the current Environment, Social and Governance overview, challenges faced in achieving compliance and reporting using the existing frameworks as well the key enablers, growth and adoption drivers that are emerging in the country.

We, at Praxis, look forward to discussions with the stakeholders in the ecosystem, including investors group, Government, policymakers, ESG experts and compliance officers, and exchanging ideas and collaborating on various issues pertaining to ESG compliance in India. We look forward to sharing perspectives and more insights continuously.

**Shishir Mankad**  
Social Impact Advisory

# Executive summary



## Overview of ESG

- ESG materiality represents an organization's interests and interactions with the Environment, Community and Individuals to determine future sustainability
- Investors are looking for ESG-compliant companies to grow their investments, customers want to be associated with ESG-compliant brands, and business leaders are looking for brand perception and profitability through ESG compliance



## Reporting frameworks

- New and revised ESG regulations, laws and policies are being introduced globally to ensure compliance, frameworks available like the GRI, SASB, etc.; the Ministry of Corporate Affairs is the principal regulator for the same in India
- BRSR reporting has been made mandatory for the top 1,000 listed companies in India by the Securities and Exchange Board of India (SEBI), has 3 sections with a broad mix of mandatory and optional disclosures



## Implementation & challenges

- Top N100 companies submit standalone reports on ESG with 79% of those releasing standalone reports, however, reports from recent IPOs remain significantly low across sectors
- Key reporting and evaluation framework challenges that need to be addressed include subjectivity of analysis and complexities in data, one-size-fits-all approach and country perspective bias often coming into play in reporting frameworks



## Maturity of ESG reporting

- External accelerators like 3rd party audit combined with internal factors like ease of data collection can be growth drivers for ESG compliance if implemented in India; materiality assessment helps discover ESG parameters that have the most impact on business
- Investments in startups are growing in India, with investors focused on renewable energy, emission reduction, and helping ESG-compliant MSMEs is driving ESG adoption

# Agenda

Introduction to ESG

Reporting frameworks

ESG implementation : Key challenges

Maturity of ESG reporting



**ESG parameters are being used to represent an organization's interests and determine future sustainability, evaluated by the likes of investors and leaders**

What does  cover?



### Environmental

Companies act and mitigate their effects on the environment

Climate change

GHG emissions

Conservation and restoration

Pollution control, recycling

Energy consumption, green energy



### Social

Communication and relationship with employees and customers

Human rights, social protection

Gender equality, diversity, inclusion

CSR projects, ethical supply chains

Healthcare and welfare programs

Employee well-being and benefits



### Governance

Concerns leadership, implementation of critical policies

Accounting practices

Business ethics, transparency

Diversity on board, better decisions

Stakeholders' interests, elections

Leadership assessment

## Environment: Emissions categorised under Scope 1, 2 and 3, usually from factories and transportation are potentially impacting the quality of natural resources

### Potential contributing factors



#### Scope 1 emission

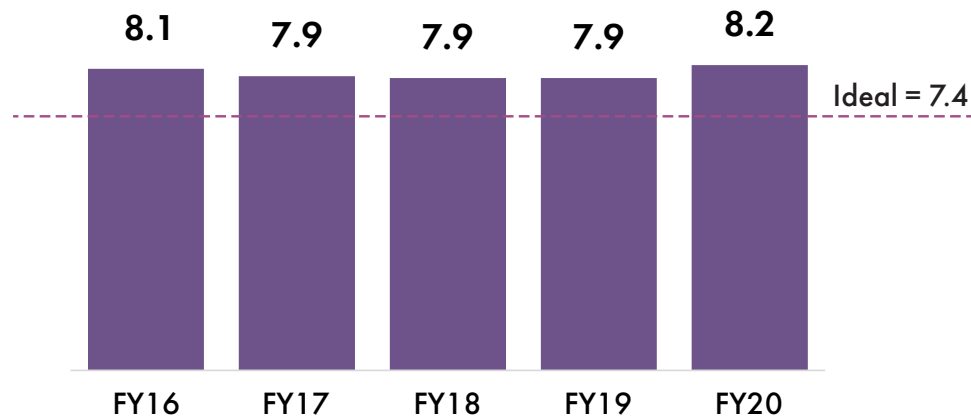
- Direct emissions that occur from sources that are controlled or owned by an organization

Untreated waste from industrial discharge has kept the pH of Yamuna river above the ideal value for the last 5 years

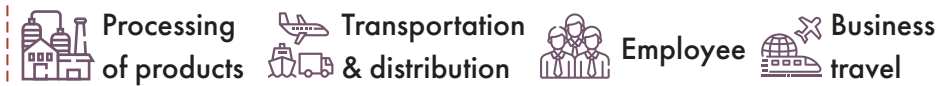
#### Average recorded pH

pH value

High pH increases the toxicity of other substances in water



### Potential contributing factors



#### Scope 2 & 3 emissions

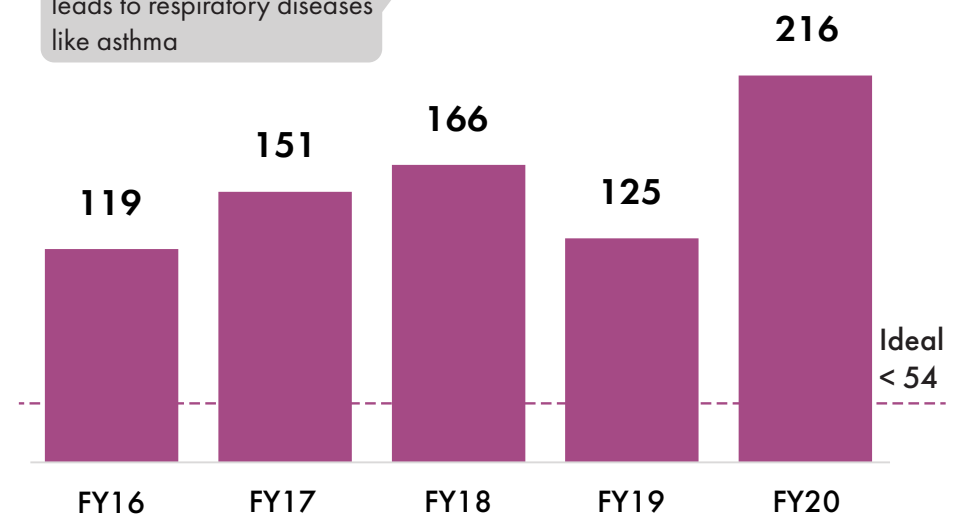
- Scope 2: Indirect emissions associated with the purchase of electricity, steam, heat, or cooling
- Scope 3: Not produced or controlled by the company but are indirectly responsible for

PM<sub>10</sub>\* particles concentration in air is high due to highest inter-city transport and commute in Mumbai

#### Presence of PM<sub>10</sub> particles in air

µg/m<sup>3</sup>

Exposure to PM<sub>10</sub> particles leads to respiratory diseases like asthma

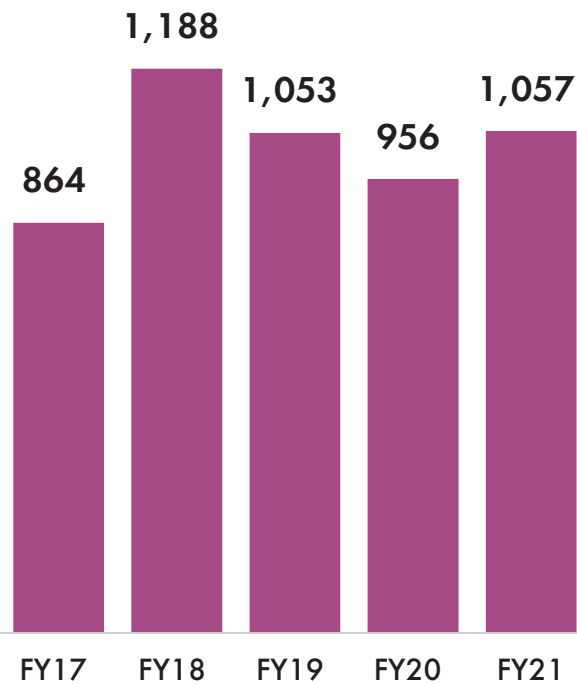


## Social: Inclusion and workplace well-being still poses a challenge in India

### 1000+ workplace death reported



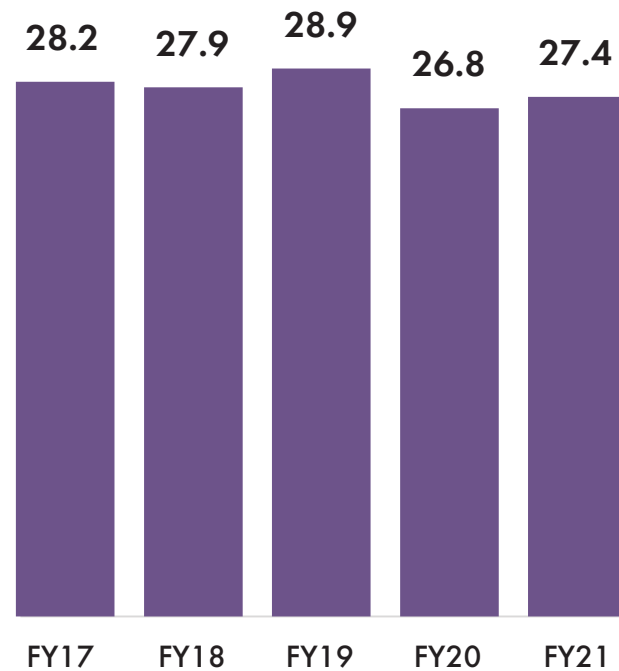
# workplace deaths reported\*#



### Female participation remains below 30% over past 5 years



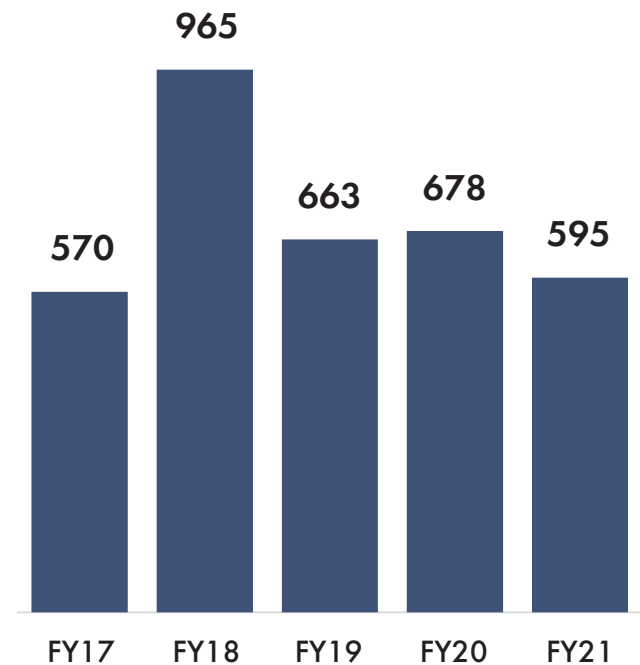
Female to male labor force participation %



### Social media movements led to higher reporting of harassment cases in 2018



Workplace harassment cases reported #

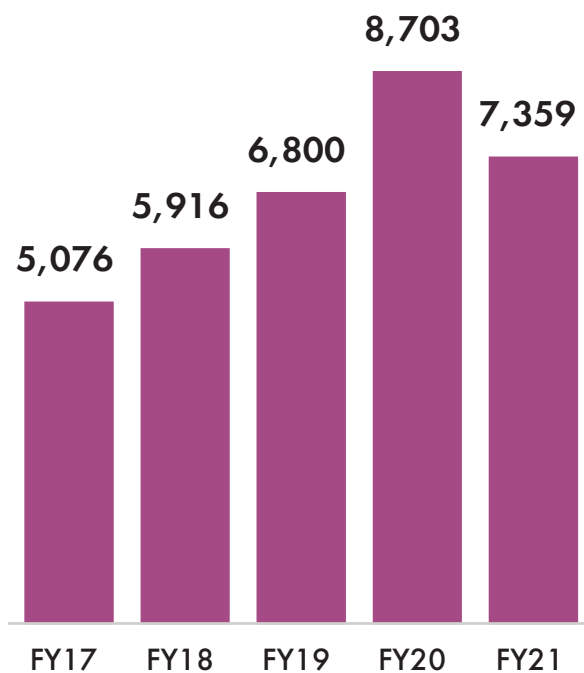


## Governance: Increased banking-related frauds and data security incidents raises governance concern for Indian companies

10% increase in the banking frauds cases reporting over past 5 years



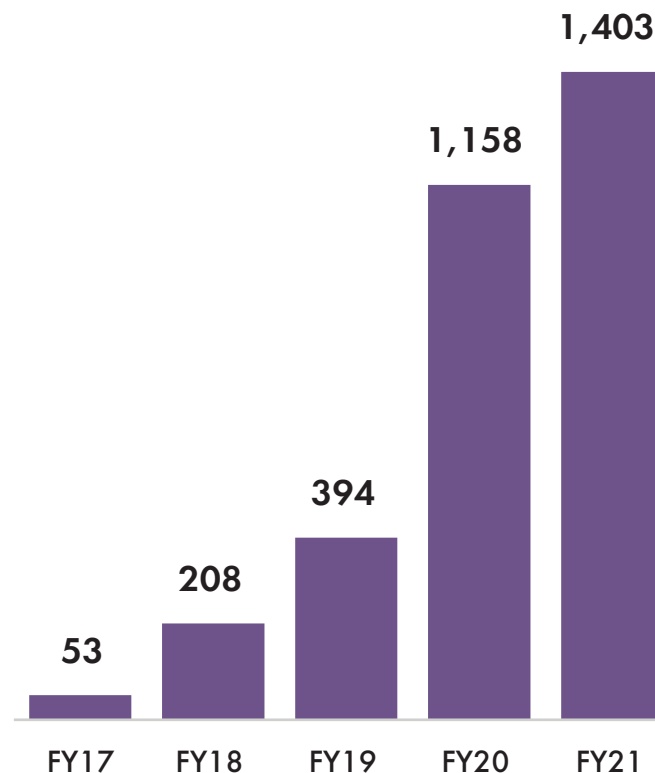
Banking frauds reported #



Increase of 179% in data security incidents over the years



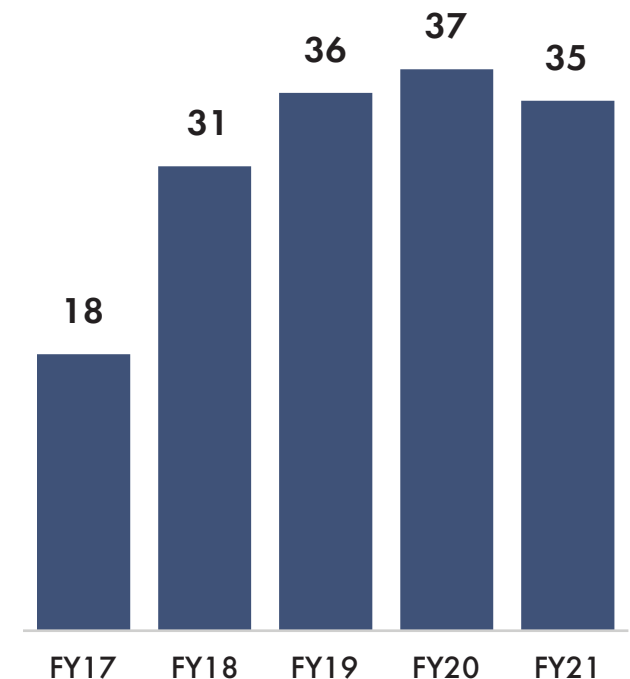
Security incidents\* #K



Closure rate\*\* of 35% recorded in FY21



Closure rate %



Note(s): \*Security incidents comprises of phishing, probing, vulnerable services, malicious code, virus, website defacements, website intrusion and malware propagation \*\*Closure rate is the ratio of total companies registered to the companies closed with MCA

Source(s): CERT-In annual reports, MCA annual report News articles, Secondary research, Praxis analysis



## FII and DII are looking for ESG-compliant companies to grow their investment; Customers with increasing awareness want to be associated with ESG-compliant brands

### Importance of ESG reporting

<b>FII</b>	<ul style="list-style-type: none"> <li>Foreign investors are looking at ESG reporting and whether the norms are being followed closely</li> <li>Many financial institutions have made it mandatory for the company to follow ESG norms</li> </ul>
<b>Raising working capital from bank</b>	<ul style="list-style-type: none"> <li>Banks may deny lending short-term finances to companies if they are not complying with ESG norms <ul style="list-style-type: none"> <li>Many Asian Banks like in South Korea and Japan are doing the same</li> </ul> </li> <li>Organizations' day-to-day operations can get impacted as they may find it difficult to manage funds</li> </ul>
<b>Customers' interest</b>	<ul style="list-style-type: none"> <li>Aware and environment-conscious customers are compelling companies to follow ESG norms more closely; <ul style="list-style-type: none"> <li>Will eventually be associated with companies with sustainable products</li> </ul> </li> <li>Global B2B customers in America and Europe have committed to reducing their carbon emissions (including Scope 3 emissions) <ul style="list-style-type: none"> <li>Hence, Indian manufacturers catering to these global B2B customers are being positively pressurized for reducing their carbon emissions</li> </ul> </li> </ul>
<b>Stock price</b>	<ul style="list-style-type: none"> <li>If diligent and transparent reporting in BRSR with full disclosures is not properly followed, it may affect the brand and image of the company <ul style="list-style-type: none"> <li>The report is seen by several stakeholders as well as regulators and investors</li> </ul> </li> <li>Foreign and Domestic institutional investors might not invest in an ESG non-compliant company, which may have an impact on its stock price</li> </ul>

## ESG parameters are interconnected from customers to investors and hence increasingly becoming relevant for business life cycle

Attract and retain quality employees, enhance employee motivation, increase productivity, gain trust and long-term business continuity



Individuals

Drive strategy across the industry, transitioning to determine short-term and long terms goals, tap new markets and expand existing ones



Industry

Help investors make better decisions, reveal existing or future hazards, rank impact



Investors

Manage cost of capital, cost of operations, cost of maintenance, cover risks/ gaps unaccounted



Company

Raising ethical practices, and sustainable products create value for consumers looking for eco-friendly products, improves brand perception



Customers & Brand

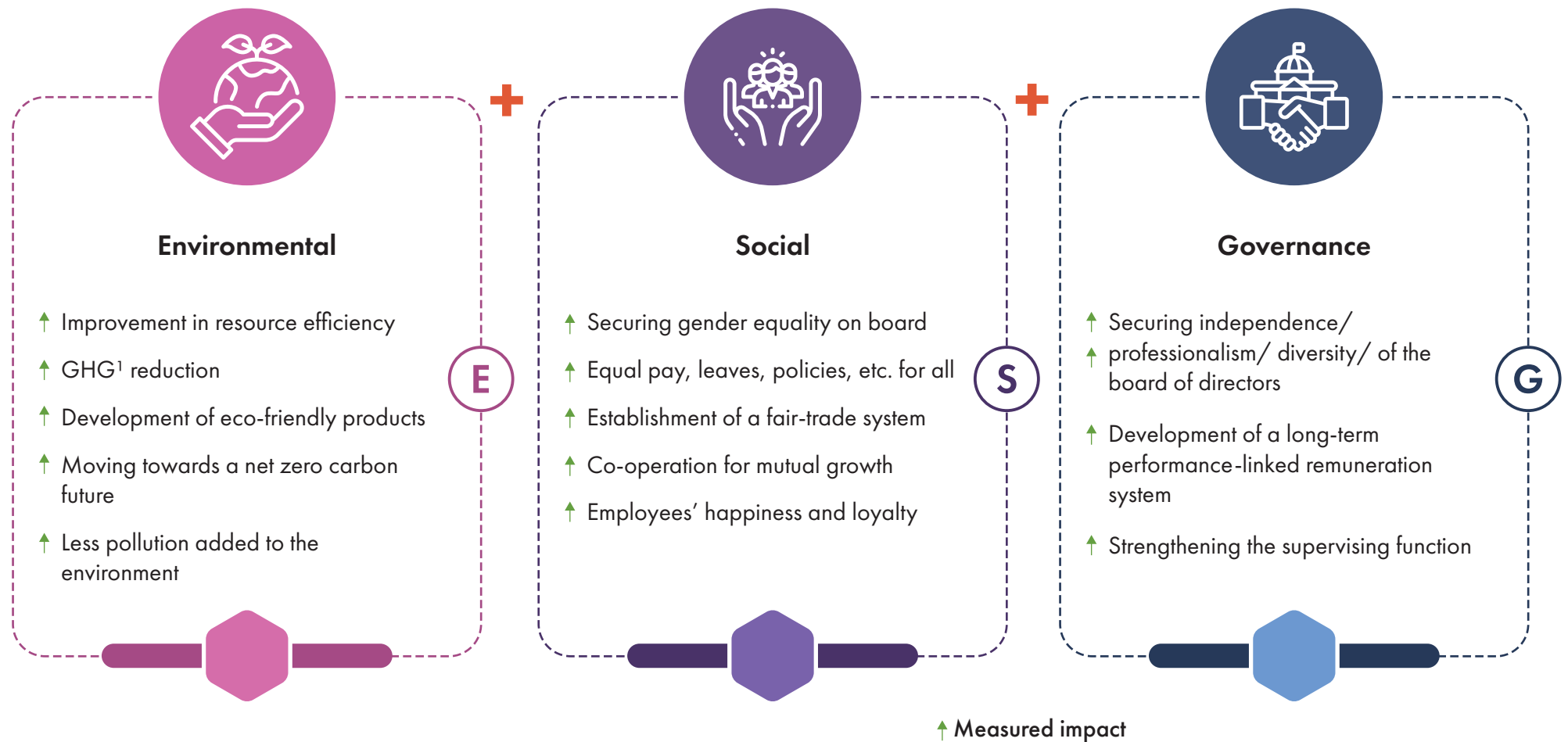
Reduces variability in demand and supply, reduces information asymmetry, increases shareholder value along with providing benefits








Supply chain

Impact of  
ESG compliance  
and reporting

## Companies with a strong ESG alignment end up saving costs of operation and capital, securing brand perception and retaining customer loyalty



## Initiatives with a focus on community benefits launched by the Govt. are indirectly supporting sustainability and climate change, a major ESG parameter

Environmental projects undertaken	Key features	Areas and activities to be focussed upon for Carbon Credits
<b>Mumbai's Climate Action Plan</b>	<ul style="list-style-type: none"> <li>Agencies such as BMC, MMRDA, BEST and others have already initiated work across several areas to deal with the climate crisis</li> <li>MCAP will focus on six action tracks to introduce sector-specific strategies</li> <li>Some thematic action areas are               <ul style="list-style-type: none"> <li>Sustainable waste management</li> <li>Urban greening and biodiversity</li> <li>Urban flooding and water resource management</li> </ul> </li> <li>City's first desalination plant, to process 200 million liters of water per day, will be built near Manori, Malad (West)</li> <li>5000 rainwater harvesting pits across Mumbai</li> <li>By 2030, BEST will run all-electric buses</li> </ul>	 Household level biogas plants treating Kitchen, organic farmyard, & biowastes
<b>The Pradhan Mantri Ujjwala Yojana (PMUY)</b>	<ul style="list-style-type: none"> <li>Make LPG, a clean cooking fuel, available to rural and marginalized households</li> <li>Led to an increase in LPG coverage from 62% in 2016 to 99.8% as of 2021</li> </ul>	 Agri-biomass oriented Energy Projects
<b>Powerguda in Andhra Pradesh</b>	<ul style="list-style-type: none"> <li>Villages selling around 150 tonnes of saved CO2 credits</li> <li>Also, saved 147 MT of CO2 by extracting bio-diesel from 4500+ Pongamia trees</li> </ul>	 Afforestation and reforestation Projects
<b>Handia forest in Madhya Pradesh</b>	<ul style="list-style-type: none"> <li>100 financially aggrieved villages collectively earn USD 300K/ year from carbon payments</li> <li>Restores 10K hectares of community forests</li> </ul>	 Bio-methanation, Power Generation route, Organic Fertilizer
		 Special Manure producing method

Implementation of projects

# Agenda

Introduction to ESG




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ESG implementation : Key challenges

Maturity of ESG reporting








## New and revised ESG regulations, laws and policies are being introduced globally to ensure compliance

Global Regulations			
	 India	 UK	 USA
Current ESG progress	<ul style="list-style-type: none"> <li>ESG mutual funds schemes and ESG rating providers regulations by SEBI</li> <li>From 2023, shift to BRSR reporting requirements which are evaluated on 9 NGRBC principles (2021)</li> </ul>	<ul style="list-style-type: none"> <li>Two new laws introduced:-               <ul style="list-style-type: none"> <li>Compliance Regulations 2022</li> <li>Limited Liability Partnership Regulations, 2022</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Climate-risk disclosure requirements proposed by SEC in March 2022</li> </ul>
Criteria	<ul style="list-style-type: none"> <li>Top 1000 listed companies based on market capitalization need to comply with BRSR framework</li> </ul>	<ul style="list-style-type: none"> <li>Businesses with &gt;500 employees or EUR 500M in annual revenue</li> </ul>	NA
Reporting requirements	NA	<ul style="list-style-type: none"> <li>Report on UK energy use and carbon emissions to be mentioned in annual report</li> </ul>	<ul style="list-style-type: none"> <li>Disclose Scope 1 and 2 emissions in line with GHG Protocol</li> <li>If revenue &gt; US\$ 75M, disclose scope 3 emissions also</li> </ul>
Active regulatory bodies	<ul style="list-style-type: none"> <li>Ministry Of Corporate Affairs (MCA) – Principal regulator</li> <li>SEBI – strategy implementation and mandates ESG related disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Financial Conduct Authority (FCA) – Principal regulator</li> <li>European commission, UK govt, FRC, regulators of securities exchange</li> </ul>	<ul style="list-style-type: none"> <li>Securities and Exchange Commission (SEC) – Principal regulator</li> <li>Department of Labor (DOL) – Federal regulator</li> </ul>
Other governing laws	<ul style="list-style-type: none"> <li>Environment Protection Act, 1986</li> <li>Water Act, 1974</li> <li>Companies Act, 2013</li> <li>Factories Act, 1948</li> <li>Securities and Exchange Board of India (SEBI) Act, 1992</li> </ul>	<ul style="list-style-type: none"> <li>UK Corporate Governance Code, 2018</li> <li>Disclosures Guidelines and Transparency Rules</li> <li>UK Stewardship Code, 2020</li> <li>Climate Change Act, 2008</li> <li>Bribery Act, 2010</li> </ul>	<ul style="list-style-type: none"> <li>Federal and state requirements</li> <li>Securities Act, 1933</li> <li>Securities Exchange Act, 1934</li> <li>Various state regulations like Climate Corporate Accountability Act in California, 2022</li> </ul>

# Multiple ESG frameworks and standards exist globally; GRI is the most comprehensive & widely used framework

[1/2]


## Global Recognised Frameworks

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Parameters	Goal	<ul style="list-style-type: none"><li>Stakeholder engagement &amp; materiality assessment</li></ul>	<ul style="list-style-type: none"><li>Measure and manage ESG topics for long-term value creation</li></ul>	<ul style="list-style-type: none"><li>Strategic actions on SDG and UN principles-based business ethics</li></ul>	<ul style="list-style-type: none"><li>Measure concentration of carbon related assets in financial systems</li></ul>	<ul style="list-style-type: none"><li>Measure and reduce greenhouse gas emissions</li></ul>
	Structure	<ul style="list-style-type: none"><li>10 reporting principles 2 main standards with over 300 topics in both</li></ul> <div><div></div></div>	<ul style="list-style-type: none"><li>77 standards divided in 11 industry categories</li></ul> <div><div></div></div>	<ul style="list-style-type: none"><li>10 principles in alignment with 17 UN SDG goals</li></ul> <div><div></div></div>	<ul style="list-style-type: none"><li>11 disclosure recommendations in 4 areas</li></ul> <div><div></div></div>	<ul style="list-style-type: none"><li>Area specific questionnaire</li></ul> <div><div></div></div>
	Audience of reporting	<ul style="list-style-type: none"><li>Stakeholders + investors</li></ul> <div><div></div></div>	<ul style="list-style-type: none"><li>Primarily investors</li></ul> <div><div></div></div>	<ul style="list-style-type: none"><li>Stakeholders + investors</li></ul> <div><div></div></div>	<ul style="list-style-type: none"><li>Stakeholders + investors</li></ul>	<ul style="list-style-type: none"><li>Primarily investors</li></ul> <div><div></div></div>
	Primary business user	<ul style="list-style-type: none"><li>Chief Finance, Legal, HR, CSR Head, ESG Head</li></ul>	<ul style="list-style-type: none"><li>Chief Executive, Finance, Legal, ESG Head</li></ul>	<ul style="list-style-type: none"><li>Chief Executive, Finance, Legal, ESG Head</li></ul>	-	<ul style="list-style-type: none"><li>ESG Head, Chief Financial Officer</li></ul>
	Voluntary or guidance framework	<ul style="list-style-type: none"><li>Guidance: Range of ESG topics deemed relevant to org. and management</li></ul>	<ul style="list-style-type: none"><li>Guidance: Focus on financial information relevant to investors</li></ul>	<ul style="list-style-type: none"><li>Voluntary: 10 principles become part of strategy, culture and operations</li></ul>	<ul style="list-style-type: none"><li>Guidance: Targets - Governance, strategy, risk management, and metrics</li></ul>	<ul style="list-style-type: none"><li>Voluntary disclosures of non-financial data</li></ul>

# Multiple ESG frameworks and standards exist globally; GRI is the most comprehensive & widely used framework

[2/2]

## Global Recognised Frameworks

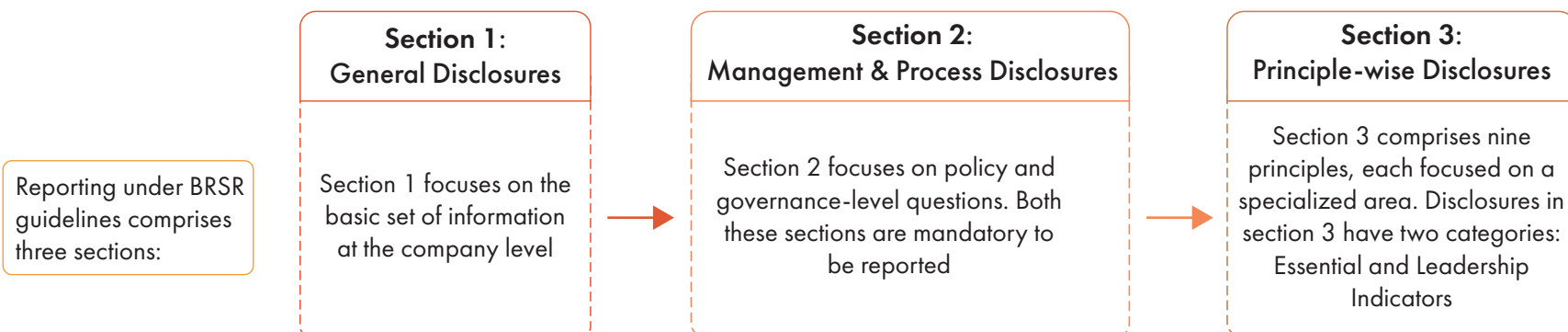
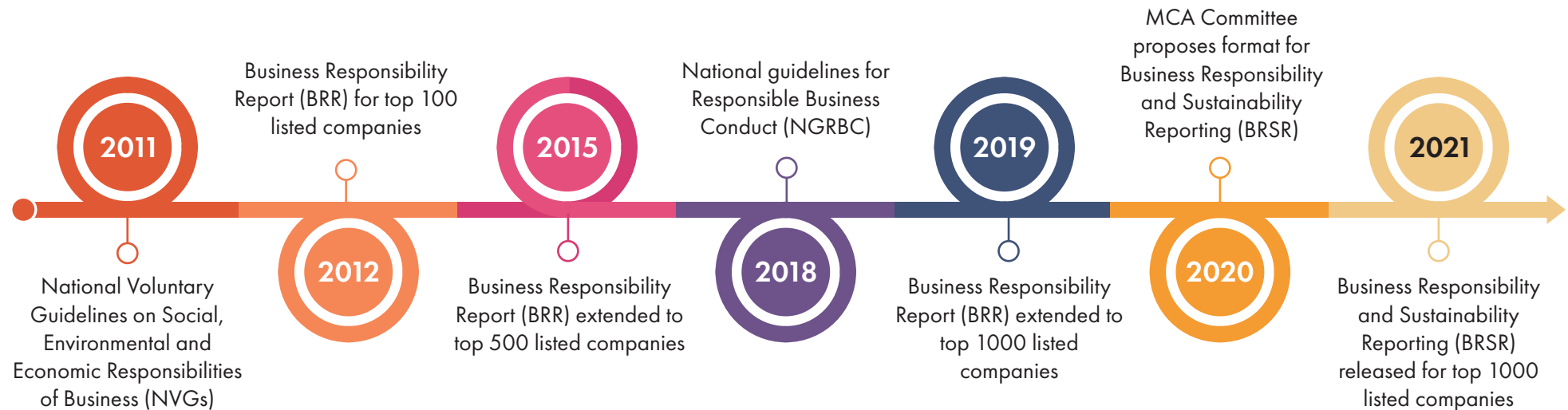
<div><div></div><div></div><div></div><div></div><div></div></div>						
Parameters	Prescribed format	<ul style="list-style-type: none"><li>Company specific reports written in accordance with GRI Standards</li></ul> <div><div></div></div>	<ul style="list-style-type: none"><li>Sustainability info and performance metrics included in CSR/ ESG report</li></ul> <div><div></div></div>	<ul style="list-style-type: none"><li>Annual report (CoP) having company's key info on global activities</li></ul> <div><div></div></div>	<ul style="list-style-type: none"><li>Disclose material climate issues with SEC, regulatory agencies and reports</li></ul> <div><div></div></div>	<ul style="list-style-type: none"><li>An online response system pursuant to the questionnaires. No prescribed methodology</li></ul> <div><div></div></div>
	Materiality assessment	<ul style="list-style-type: none"><li>Different meaning for stakeholders and influence company's decisions</li></ul>	<ul style="list-style-type: none"><li>Identify financially material sustainability info through perspective of an</li></ul>	<ul style="list-style-type: none"><li>Act as a goal oriented framework and doesn't identify material information</li></ul>	<ul style="list-style-type: none"><li>Emphasis on the materiality for climate similar to other info</li></ul> <ul style="list-style-type: none"><li></li></ul>	<ul style="list-style-type: none"><li>Mapping of industry segment to KPIs that correspond to it's impact on environment</li></ul>

Less comprehensive

More comprehensive



## BRSR reporting, now made mandatory for top 1,000 listed companies in India, has 3 sections with a broad mix of mandatory and optional disclosures



# Praxis ESG framework addresses current assessment challenges and enables evaluation of individual businesses, portfolios and sectors



## ESG Framework and Methodology

### Key advantages and enablement



#### Multi-stakeholder approach

Cater different users such as corporates, investors and government bodies



#### Metrics-driven assessment

Comprehensive research to create a fundamental basis for judgment



#### Reduced refresh effort

Tool and models created which can be updated with input values refresh



#### Goes beyond rating

Identifies the core issues, their causes, and their potential effects

### Multiple use cases



#### 1 Individual Company Evaluation



#### 2 Portfolio Assessment



#### 3 Sector Scan

### Outcomes



#### Enforce Norms

Know what are the core issue and where they enable rectification



#### Better Investment Decisions

Asses potential challenges in future for company cause of ESG



#### Ensure compliance over time

Tool created enables recurring analysis at reduced efforts

# Agenda

Introduction to ESG

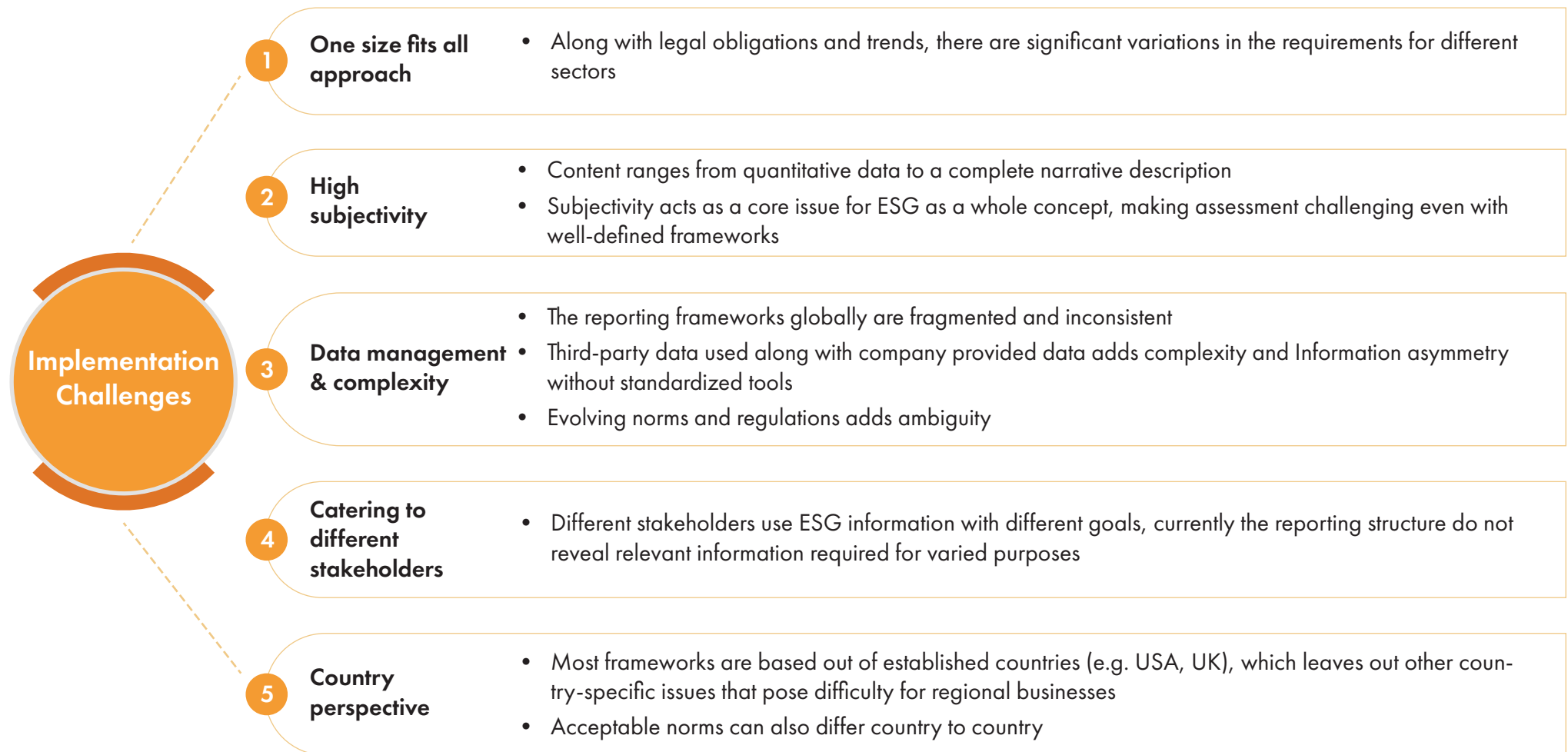
Reporting frameworks

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## Key reporting and evaluation framework challenges that need to be addressed include subjectivity of analysis and complexities in data








































## Fashion, banking and tech industry lies in the low-risk band as per average ESG ratings



Risk	Rating Range
Negligible	0-10
Low	10-20
Medium	20-30
High	30-40
Severe	40+

Scoring considers subindustry and company-specific factors such as business model and management, assessing robustness of company's ESG programs, practices, and policies



Industry	Key players considered	Avg Risk Rating
Automobiles	     	28.8
Fashion	      	13.9
Banking	     	19.7
Technology	     	15.6
FMCG	      	24.6
Retailers	    	24.8

# Yet, past incidents reflect the reality of the difference between ESG reporting and ESG compliance

## Incidents

### Automobile

- Top vehicle manufacturer fitted ~ 11 M diesel cars with a “defect” device, altering emission test performance
- These cars remitted up to 40 times more pollution than allowed

### FMCG

- Beverage companies are huge contributors to plastic pollution because of packaging used like plastic bottles, straw-less lids, straws, etc
- Wellness products in India was accused of promoting negative stereotypes around dark skin tones through its branding and advertising for certain beauty products
- Leading ready-to-make product brand was accused of using child sourced raw materials like cocoa beans

### Retailers

- The leading furniture retailer faced charges of illegal wood logging to make children’s furniture
- Retail industry chains giant in USA under fire for marketing ~2 dozen rayon textile items falsely as made from bamboo using eco-friendly processes

### Fashion

- Fast fashion brands are responsible for producing monumental amounts of textile waste
- Multiple labour rights violations and complaints were filed against popular sports brands
- Unethical sourcing of raw materials and animal abuse were charges raised against the apparel brand

### Technology

- Leading phone maker has faced accusations of utilizing child labor in its mining efforts for sourcing aluminum
- Excessive e-waste generated due to multiple part replacements made necessary due to software updates

### Finance

- Major investment banks have faced backlash due to lending to the industries that contribute the most to global warming, like fossil fuels, deforestation

## Non-compliance consequences

### 1 Impact on customer perception

- Loss of consumer interest in reported product category and significant drop in sales
- Criticism in media channels among customers, asking for boycott until appropriate measures taken by the companies to resolve raised issues

### 2 High operating expense (in legal battles and marketing mitigation activities)

- Penalties imposed by government authorities
- Managing lawsuits with different action groups, human rights activists and others
- Brand image hampered post labels such as which requires expensive campaigns to rebuild brand

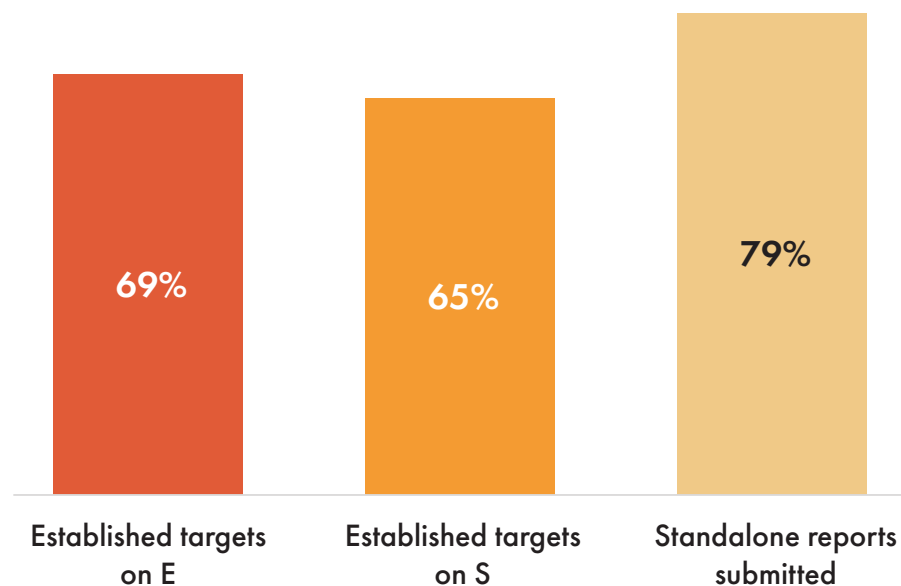
### 3 Loss in trust and company’s reputation

- Overall shareholders trust lost when company engaged in deceptive activity/promises
- Conflicts especially with government bodies, decreases credit worthiness

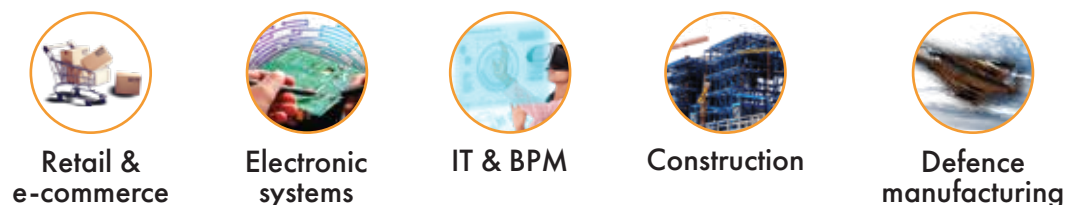
## Top N100 companies submit standalone reports on ESG, however, reports from recent IPOs remain significantly low across sectors

79% of the N100 companies submit standalone reports on ESG

ESG reporting for N100 companies  
(% companies reporting)



Top 5 sectors for N100 companies in India



ESG reports submitted by recent IPOs across sectors

IPO year	Sectors with most # IPO	# IPO	# companies reporting ESG*
2022	Technology	6	-
	Capital goods	5	-
	Trading & distributors	5	-
	Pharmaceuticals	4	-
	Logistics solutions provider	4	1
2021	Technology	11	4
	Auto components & equipment	5	1
	Pharmaceuticals	5	1
	Speciality chemicals	4	-
	Residential commercial projects	4	1

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# Materiality assessment can equip the company with discovery of ESG parameters that have the most impact on the company's business

## What is materiality?

ESG materiality assessment is a tool used to identify and prioritize issues that are most critical to organization

## Procedure to evaluate

- 1 Identify and categorize potential topics and stakeholders'
- 2 Detailed survey with questionnaire
- 3 Result analysis according to topic impact and importance

## Value proposition



Improved  
performance



Informed  
strategy



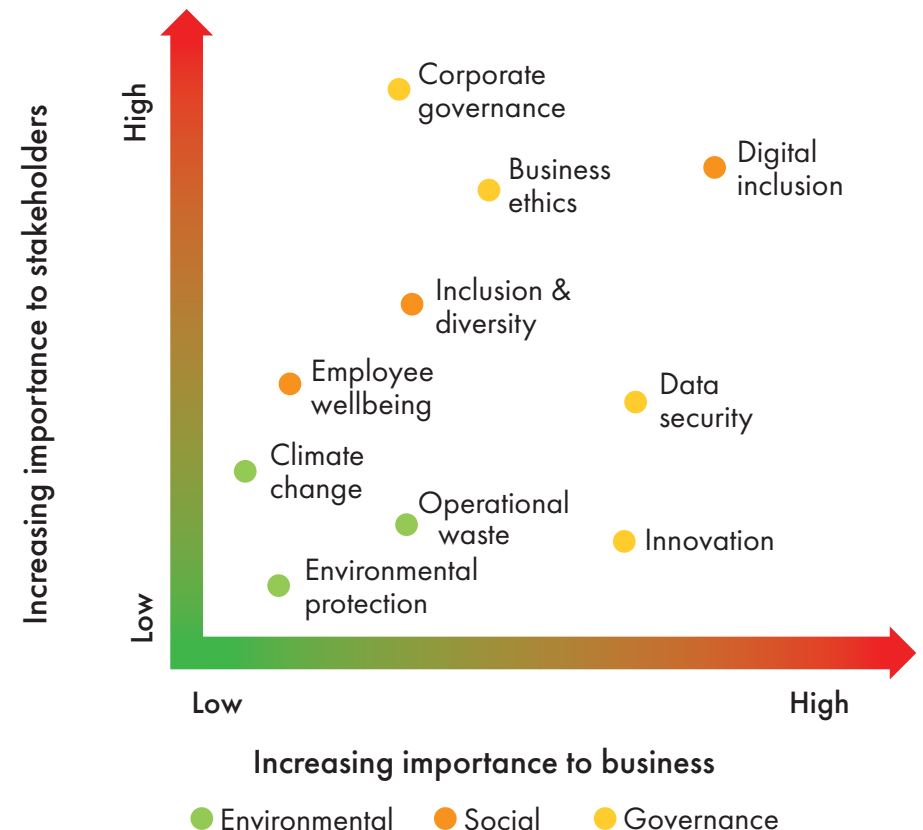
Optimal  
resource use

## Stakeholder driven analysis



Materiality assessment for a bank

Illustrative



## External accelerators like 3<sup>rd</sup> party audits combined with internal factors like ease of data collection can be growth drivers for ESG compliance if implemented in India

### External accelerators : Government and Regulators



- Sector-wise reporting regulations and expected performance metrics
- Legal bounds set on additional services provided by rating agencies to the companies



- Tax incentives for ESG-centred investments and initiatives (E.g.- Tax credit for qualified electric motor vehicles, USA)
- Penalisation on cases of greenwashing and purpose washing



- Mandatory 3<sup>rd</sup> party audit and reporting system
- Check on the social and political backlash for defaming ESG by several high-profile critiques

### Internal drivers : Within organisations



- Ensure system in place to enable ease of data collection for relevant assessment
- Eliminate need for repetitive checks by integrating ESG practices in existing processes





- Effective communication channels across stakeholders for long-term value creation
- Appoint in-house ESG expert/ compliance officer and conduct training for employees


















- Careful identification of material topics which impact the business and sector
- Manage indirect GHG emissions like scope 3 by integrating appropriate metrics in daily management process

## ESG investments are growing in India, investors focused on renewable energy, emission reduction, helping ESG-compliant MSMEs

		Investment areas						
		Carbon & climate technology	Circular economy & Supply chain	Risk assessment & Internal audits	Energy & water management	Fintech/ FI, & Finance operations	Healthcare services, infra & wellness	Education & gender diversity
Investment themes of major funds in India	 ESG fund for MSMEs		✓			✓		
	 Renewable energy			✓				
	 Networking & Internet users					✓	✓	✓
	 Healthcare & Pharma		✓					
	 Real estate management	✓	✓		✓	✓		
	 Emissions reduction			✓				✓
	 Impact driven, early-stage	✓	✓	✓				

## Proactive actions taken by corporates have resulted in progress on UN SDG goals and ESG compliance

Parameters	Indian company in action	Steps taken	Impact achieved	Goals met
 <b>Environment</b>	 Food chain with leading brands  Global Energy & Petroleum Company	<ul style="list-style-type: none"> <li>Increased efficiency of energy sources, used resources efficiently under UNGP protocols</li> <li>Undertaken programs under CSR<sup>1</sup>, like Dairy Farmer Development programs</li> <li>Hazard Identification, Risk Assessment and Management under HIRA<sup>2</sup>, JSA<sup>3</sup> procedure</li> </ul>	<ul style="list-style-type: none"> <li>3K+ Giga Joules of energy saved, 2Cr+ new saplings planted</li> <li>Animal welfare and development, investment of INR 2Cr+ in livestock management</li> <li>Reduced total # of safety-related incidents, down by ~20%</li> </ul>	 
 <b>Social</b>	 Tech consultancy provider  Leading manufacturer	<ul style="list-style-type: none"> <li>Introduced apps for COVID support, like 'Aphamitra app' with the Karnataka gov</li> <li>Introduced and reworked internal policies like Health Assessment and Lifestyle Enrichment program</li> <li>Diverse representation-based hiring policies to mitigate lack of diversity in workforce</li> </ul>	<ul style="list-style-type: none"> <li>Spread information and awareness, impacted 3M+ lives</li> <li>~40% of Women in the workforce in fiscal 2022 for the sample cases</li> <li>Workforce diversity, religion, gender, etc., 90%+ local hires</li> </ul>	 
 <b>Governance</b>	 Tech services company  Digital insurance player	<ul style="list-style-type: none"> <li>Community initiatives for a cause like 'Dhan Utsav', tie up with NGOs</li> <li>Employee satisfaction and engagement identified and raised using surveys</li> <li>Building capability in women at senior management through 'Disha' program</li> </ul>	<ul style="list-style-type: none"> <li>Encouraged contribution, supported education 20K+ of underserved children</li> <li>Increased engagement by 80%+, participation and satisfaction by 90%+</li> <li>Increased female participation in workforce to ~25%</li> </ul>	 

## ESG compliance is in a nascent stage in India, the way forward will be driven by investors, guided by the evolving regulatory and reporting landscape



### Enhance Judgement

Better assessment of ESG compliance and ratings by Investors, with expected performance metrics benchmarked with the company before investing



### Increase Adoption

Standards and protocols catering to all types of audiences, enable increase in usability and reduce implementation efforts



### Realistic Approach

ESG regulations set by policymakers and representatives should be aimed at capturing industry nuances and complexities



### Commit to action

Investors and stakeholders need to commit and vote for climate-tackling actions and strategies despite the challenges in the market



### Sustainable practice

Environment-friendly and sustainable practices in the supply chain, product, packaging, transport, etc. can be enforced through regulators, CXOs, etc.

**Bridge the gap between ESG reporting and ESG compliance**

# Connect with us

We will be happy to share perspectives



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