

ADDVALS

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ESG Sustain-Ability Insight





Sustainability in Business

What is essential for the long-term growth of a business?

The answer will always be “Profits”, but profits “at what cost” is also a critical concern area nowadays. If a business leaves a negative impact on “Environment” or “Society” it is difficult for that business to survive in the long run.

So, it is important that we should take care of environmental and social aspects while doing our business, or we can say that grow the business in a SUSTAINABLE way and focus on “Triple Bottom Line” i.e. 3 P’s- People, Planet and Profit.



What does the word sustainability mean in business?

Sustainability in business means profitably operating a business without leaving a negative impact on the environment and society. Reducing waste, conserving water, being energy efficient, fair working conditions, preventing pollution are few examples of sustainable business practices.

Sustainability in business

- Lowers the risk and increase the company's reputation
- Minimize cost and increase the productivity
- Built a trust among all their internal and external stakeholders
- Sustainable product and practices have a growing market, hence provide competitive advantage
- Make it easy for business to comply with regulations.

That is why sustainability in businesses becomes one of the important concerns for investors or financiers, regulators, stakeholders, and consumers.



How the sustainability of a company be measured?

The sustainability of a company is measured by assessing its performance on environmental, social and governance (ESG) factors.

Let's briefly consider the individual elements of ESG:

- **E** is for environmental criteria, includes the energy your company takes in, the waste it discharges, the resources it needs, and the consequences for living beings as a result. Not least, E encompasses carbon emissions and climate change. Every company uses energy and resources; every company affects, and is affected by, the environment.
- **S** is for social criteria, addresses the relationships your company has and the reputation it fosters with people and institutions in the communities where you do business. S includes labor relations and diversity and inclusion. Every company operates within a broader, diverse society.
- **G** is for governance, is the internal system of practices, controls, and procedures your company adopts to govern itself, make effective decisions, comply with the law, and meet the needs of external stakeholders. Every company, which is itself a legal creation, requires governance.

All these parameters need to be disclosed under the sustainability reporting or ESG reporting.

ESG Reporting

- ESG reporting is a qualitative and quantitative disclosure of an organization or company's performance in environmental, social, and governance parameters.
- It mentions the way sustainable strategy is embedded in the core of business practices.
- An ESG report shows the proactive vision and strategy to achieve the set goals & targets regarding sustainable practices in business.

An ESG report is a disclosure of an organization or a company of its non-financial issues that provides insight regarding ESG-related risks and opportunities and give an approach to mitigate the risk. An ESG report helps in the decision-making process for investors. A strong ESG performance makes the business stand above the competition and attracts investors and financiers.



Journey of Sustainability reporting in India-



SEBI's latest Guideline on Sustainability reporting in India

On 10th May 2021, the Securities and Exchange Board of India (SEBI) circulated a new reporting format for sustainability that contain detailed ESG disclosures, i.e., Business Responsibility and Sustainability Report (BRSR)

BRSR is an evolved format of BRR, it is designed on the nine principles of the 'National Guidelines on Responsible Business Conduct (NGBRCs) derived from the 17 SDG goals and globally accepted reporting framework like GRI, SASB, TCFD or IR.

- BRSR is mandatory from FY 2022-23 for top 1000 listed companies (by market capitalizations)
- Companies other than 1000 top listed companies or SME (Small and Medium Enterprises) can voluntarily submit their report.



TODAY'S LEARNER- VITTA: CSR vs Sustainability

CSR (Corporate Social Responsibility) and Sustainability both focus on non-financial activities of a business.

CSR

- CSR is to conduct activities on Environmental and Social issues
- CSR activities show the intent of the company towards Society & Environment
- CSR tends to "Doing Good"

SUSTAINABILITY

- Sustainability policies are led to set targets and goals to improve companies' performance.
- Sustainability policies set to meet the intended targets of the company in the Environment, Social, and Governance areas
- Sustainability tends to "Becoming Good"

CSR

Doing good in your comfort zone

How you "USE"
your Profit!!

SUSTAINABILITY

Becoming good by integrating into
the core of the business

How you "EARN"
your Profit!!



When sustainability is viewed as being a matter of survival for your business, I believe you can create massive change.

Cameron Sinclair

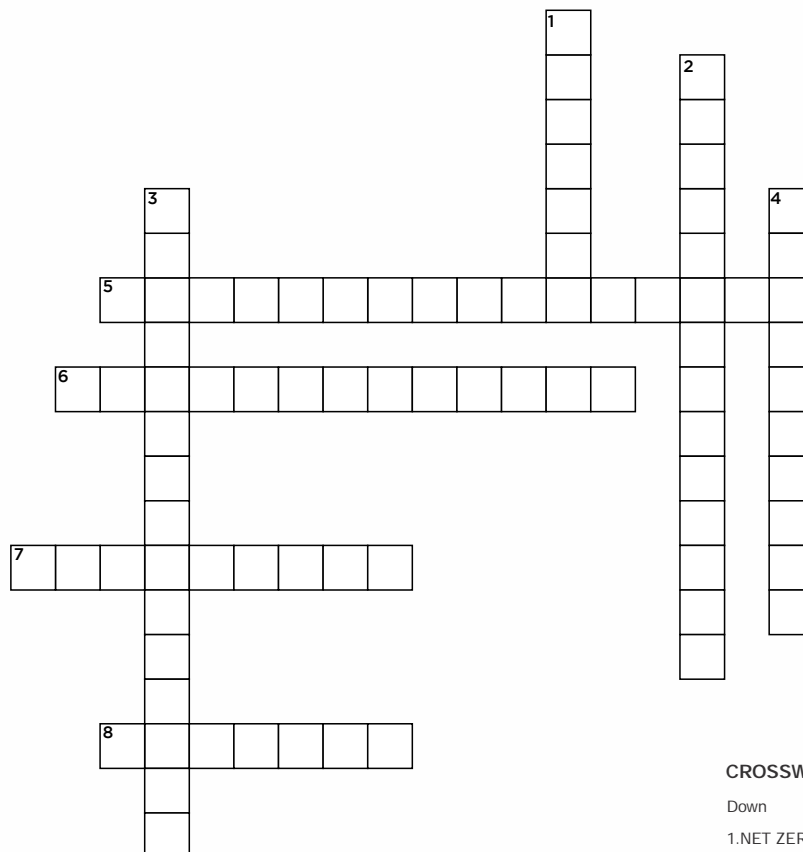
Check your knowledge - Crossword

Down

1. A practice of not putting any man-made carbon emission in the environment
2. An activity of meeting the need of the present without compromising the ability of future generation to meet their needs.
3. A measure of total greenhouse gases emission produced by individual.
4. The program provides information on the energy consumption of products and devices using different standardized methods.

Across

5. An accounting framework with three main components as People, Planet and profit.
6. A significant increase in the temperature of the atmosphere near the Earth's Surface
7. A policy that focus on preventing the generation of waste by redesigning product and reusing it.
8. A fuel produced from organic matter or waste



CROSSWORD ANSWER KEY

Down

- 1.NET ZERO
- 2.SUSTAINABILITY
- 3.CARBON FOOTPRINT
- 4.ENERGY STAR

Across

- 5.TRIPLE BOTTOM LINE
- 6.GLOBAL WARMING
- 7.ZERO WASTE
- 8.BIOFUEL

Our Sustainability Services

- Materiality assessment
- Handholding in incorporating ESG model in business
- BRSR reporting as per SEBI guideline
- Gap assessment
- Development and Monitoring Sustainability Framework(GRI, TCFD, VRF and IR)
- Perform Due-Diligence of suppliers
- Conduct customized ESG training

Our Sustainability Team



Saurabh Gupta
Managing Partner

+91 9891 536 969



Ravi Bindal
Partner,
Practice Leader- ESG

+91 9717 000 564



CA Jyot Baxi
Associate Partner



CA Vishal Sharma
Associate Partner



Reema Sharma
Assistant manager



Shilpi Gupta
Assistant manager



Forensics | Risk Advisory | Taxation | Process Management

+91 9891536969

info@addvals.in

www.addvals.in

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