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ABBREVIATIONS

AUM	Assets Under Management
BRR	Business Responsibility Report
BRSR	Business Responsibility and Sustainability Report
CAG	Comptroller and Auditor General of India
CPSEs	Central Public Sector Enterprises
CIFs	Climate Investment Funds
COP	Conference of Parties
CSR	Corporate Social Responsibility
DPIIT	Department for Promotion of Industry and Internal Trade
DPE	Department of Public Enterprises
ESG	Environmental, Social and Governance
GCF	Green Climate Fund
GOI	Government of India
GHG	Green House Gases
GRI	Global Reporting Initiative
GEF	Global Environment Facility
ISSB	International Sustainability Standards Board
NPC	National Productivity Council
NVGs	National Voluntary Guidelines
NGRBC	National Guidelines on Responsible Business Conduct
PSEs	Public Sector Enterprises
SDGs	Sustainable Development Goals
SBP	Social Bond Principles
SBGs	Sustainability Bond Guidelines
SEBI	Securities and Exchange Board of India
UNFCC	United Nations Framework Convention on Climate Change
UNGPs	United Nations Guiding Principles on Business and Human Rights

A Preamble

Department of Public Enterprises (DPE), Ministry of Finance, Government of India (GOI), and Indian Railway Finance Corporation (IRFC), along with knowledge partner National Productivity Council (NPC), under Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, GOI, organised a one day National Workshop on the topical theme “ESG (Environmental Social Governance) for Future ready CPSEs (Central Public Sector Enterprises)” on 29th July, 2022 at Hotel Shangri - La Eros. The Workshop highlighted various aspects and potential of ESG for enterprises and the institutional system. It focused on responsible investments and responsible industrial and service sector functioning. The workshop reflected upon the evolution of ESG concept nationally and internationally, and delved upon the journey from National Voluntary Guidelines of Ministry of Corporate Affairs to the BRSR (Business Responsibility Sustainability Reporting) framework designed by SEBI (Securities Exchange Board of India). The workshop further explored a roadmap on the comprehensive requirements and evolution in reporting mandates and methodologies for action by enterprises and the industrial eco-system, as part of integrating ESG deeply with the business strategies.

Message



It was my pleasure to take part in the national workshop on ESG for Future Ready CPSEs organized by Department of Public Enterprises on 29th July 2022 jointly with National Productivity Council and Indian Railway Finance Corporation as knowledge partner and industry partner respectively. I was delighted to observe overwhelming participation by major CPSEs which exhibited their interest in taking up Environment, Social and Governance related initiatives towards becoming sustainable and future ready.

Investments are now no more finance centric, and the sustainability and governance parameters are being taken into consideration in investment related decision-making process. Moreover, starting this year filing of BRSR report has become mandatory for top 1000 listed companies based on market capitalization. BRSR indicators are based on environment, social and governance performance focusing on principles such as Integrity, ethics, transparency, and accountability; sustainable and safe goods and service; well-being of all employees, including those in value chains, responsibility to all stakeholders; human rights; protection of environment; regulatory policies; inclusive and equitable development and value to customers.

The Government of India has committed that India would reach its non-fossil energy capacity to 500 GW by 2030; 50 percent of its energy requirements to be met from renewable energy by 2030; reduce carbon emissions by one billion tonnes by 2030; reduce the carbon intensity of its economy by less than 45 percent; and achieving net zero target by 2070.

I believe CPSEs have a pivotal role to play in meeting the above commitments. Filing BRSR report is not to be seen as a mechanical exercise rather it is a dynamic process leading to improvement in environment, social and governance indicators holistically year after year. In my view, CPSEs should consider this as an opportunity to exhibit their commitment to be sustainable, resilient, and prosperous, benefitting all stake holders and society at large while attracting large green investments. NPC has developed unique saptapadi approach to assist CPSEs in this process, which was discussed during the workshop. I encourage all CPSEs to adopt it and be on forefront not only to become ESG compliant but future ready.

Best Wishes.

Sh. Rajesh K Chaudhry
Special Secretary, DPE



संदीप कुमार नायक,
आई.ए.एस.
महानिदेशक

Sundeep Kumar Nayak,
IAS
DIRECTOR GENERAL



राष्ट्रीय उत्पादकता परिषद्

(उद्योग संवर्धन और आंतरिक व्यापार विभाग,
वाणिज्य एवं उद्योग मंत्रालय, भारत सरकार)
उत्पादकता भवन 5-6, इन्स्टीट्यूशनल एरिया
लोदी रोड, नई दिल्ली-110 003

NATIONAL PRODUCTIVITY COUNCIL

(Department for Promotion of Industry and Internal Trade,
Ministry of Commerce & Industry, Govt. of India)
Utpadakta Bhavan, 5-6, Institutional Area
Lodi Road, New Delhi - 110 003



New Delhi
28th July, 2022

MESSAGE

NPC has been working with the industry for devising methods to assist in delivery of high-quality products and services which are economical, speedier, and safer and of desired value. Sustainable success of an organization significantly depends on actions and outcomes related to productivity.

The adoption of Environment, Social and Governance (ESG) framework by business enterprises and its alignment with the Business Responsibility and Sustainability Reporting (BRSR) requirements as mandated by SEBI is one of the ways to re-state our commitment to realize value.

It is with immense pleasure I state that NPC, in partnership with the DPE, Ministry of Finance, GoL; CPSEs, private Sector corporate entities and business houses has made definite steps to take the ESG momentum forward to the next stage, towards delineating and codifying suitable methodologies for data analysis and reporting as steps for standardization for ESG benchmarks across sectors for national and international reference.

Against this backdrop a series of ESG conferences have been planned by NPC. The first conference being conducted by NPC as Knowledge Partner of DPE would see convergence of minds from policy community, CPSEs, professional bodies and regulators. I am very happy to say that the ESG team in NPC has built upon its several decades old expertise in environment, sustainability, climate change, energy and water areas to offer end to end solutions to the industry in meeting their ESG commitments on a long-term basis. I compliment the team in coming up their SAPTAPADI FRAMEWORK on ESG.

Sundeep Kumar Nayak
Director General

(In the rank of Secretary to the Government of India)
National Productivity Council

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Message



At the outset, I convey my gratitude to Department of Public Enterprises, NPC and other organising members for conducting the wonderful national workshop on ESG for future ready CPSEs. It was a great platform for exchange of ideas and best practices on various ESG issues and their reporting.

Since inception Sustainable Development has always been a priority at IRFC along with business growth. We are diligently working to make our business model sustainable throughout the entire value chain by introducing new process innovations and policy interventions. We are consistently striving to become more transparent in the timely disclosure of our social, environmental and economic performances. The new disclosure requirements from SEBI in the form BRSR is quite comprehensive as compared to the earlier BRR version. This is a welcome step as it will motivate businesses to increasingly improve their sustainability performance and reporting. IRFC is fully committed to meeting the new requirements.

The global energy world is transitioning towards a more secured, resilient and greener future. We wish to promote a transition that is transparent and just, avoiding the creation of inequalities and unemployment and at the same time open and creative which is capable of unleashing talents and passions, strengthening the bond with communities, of engaging customers and suppliers. Our country has targeted to become a Net Zero emitter of GHG by year 2070.

I would once again thank DPE for giving us the opportunity for becoming part of the conclave and share our experience in ESG space. We have gained a lot from this workshop by listening to other speakers and participants. We look forward to participate and learn in such forums again in future.

Amitabh Banerjee
CMD, IRFC



राजेश कुमार श्री
चेयमन एंड मैनेजिंग डायरेक्टर
एवं
राजेश कुमार श्री
चेयमन एंड मैनेजिंग डायरेक्टर
एवं



Message

At the outset, I convey my hearty thanks to Department of Public Enterprises, Government of India, and National Productivity Council for conducting such an insightful workshop on ESG for future ready CPSEs. It was a great platform for the exchange of ideas and best practices on various ESG issues and their reporting.

Since its inception, ONGC has been instrumental in transforming the country's limited upstream sector into a large viable playing field, with its activities spread throughout India and significantly in overseas territories. The company has been an early adopter of non-financial reporting and began GRI based Sustainability Reporting from the year 2009-10, apart from mandatory Business Responsibility Reporting. Further, over the years Responsible Investing has gathered much momentum and investors now seek accurate information on diverse issues. The stakeholder demands resulted in the emergence of multiple reporting and rating agencies, putting pressures on reporting as well as inflating the reporting costs for companies. Under this backdrop, the revision of National Guidelines on Responsible Business Conduct (NGBRCs) by the Ministry of Corporate Affairs and subsequent rolling out of Business Responsibility and Sustainability Report (BRSR) by SEBI has been quintessential and offers a common base for reporting. ONGC being a responsible Maharatna PSU has once again demonstrated its leadership position by adopting the BRSR framework from FY 2021-22, together with the launching of Integrated Report of the company which is another voluntary guidelines. The new guidelines will certainly unlock more value to all stakeholders and the reporting organization as well.

We would once again like to thank all who are part of this workshop for giving an opportunity to share our experience and achievement in ESG space. At this juncture, a National Workshop on ESG for reflecting upon the spectrum of issues and towards encouraging future ready CPSEs is very timely, and the efforts by the Department of Public Enterprises, Indian Railway Finance Corporation and National Productivity Council are commendable.

Jai Hind!

Rajesh Kumar Srivastava
Chairman and Managing Director (Additional Charge)
and Director (Exploration)
ONGC





Message

At the outset, I convey my gratitude to Department of Public Enterprises, NPC and other organising members for conducting the wonderful national workshop on ESG for future ready CPSEs. It was a great platform for exchange of ideas and best practices on various ESG issues and their reporting.

Since inception Sustainable Development has always been a priority at NTPC along with business growth. We are diligently working to make our business model sustainable throughout the entire value chain by introducing new process innovations and policy interventions. We are consistently striving to become more transparent in the timely disclosure of our social, environmental and economic performances. Towards this end, we switched to the integrated reporting framework in FY 2019-20 and still increasing the scope through inclusion of many more sustainability standards and ESG frameworks. The new disclosure requirements from SEBI in the form BRSR is quite comprehensive and quantitative as compared to the earlier BRR version. This is a welcome step as it will motivate businesses to increasingly improve their sustainability performance and reporting. NTPC is fully committed for meet the new requirements. In our latest Integrated Annual Report FY 2021-22, we have already covered majority of the requirements.

The global energy world is transitioning towards a more secured, resilient and greener future. We wish to promote a transition that is transparent and just, avoiding the creation of inequalities and unemployment and at the same time open and creative which is capable of unleashing talents and passions, strengthening the bond with communities, of engaging customers and suppliers. Our country has targeted to become a Net Zero emitter of GHG by year 2070. In alignment to the country's goals and energy priorities we have engaged with NITI Aayog to develop our roadmap towards Net Zero. We are the first energy company across globe to declare our Energy Compact goals to United Nations.

I would once again thank DPE for giving us the opportunity for becoming part of the conclave and share our experience in ESG space. We have gained a lot from this workshop by listening to other speakers and participants. We look forward to participate and learn in such forums again in future.

Santosh Kumar Takhele
General Manager (Environment & Sustainable Development)
National Thermal Power Corporation (NTPC)

Proceedings of National Workshop on ESG for Future ready CPSEs

1.0. Background and Introduction

India has been a progressive country towards engaging in International commitments and undertaking national initiatives to achieve objectives evolved towards sustainable development goals (SDGs), Climate change mitigation and resilience, and undertaking implementation of various protocols and conventions formulated under multilateral environmental agreements (MEAs), and striving to achieve a green and circular economy for balanced growth and development and achieve resource efficiencies. Steps have also emerged to promote & strengthen ESG (Environment Social Governance), to support the idea of green bonds, and engage in climate finance / green finance related provisions via public & private sector initiatives and engagements, while seeking to enable an ecosystem of sustainable industry and sustainable infrastructure to emerge.

With the ever-changing business environment, the investors and stakeholders seek business to be not only responsible but to be sustainable towards the environment and society. In recent years, adapting to and mitigating climate change impact and transitioning to sustainable development have emerged as major issues globally. Further, Global sustainability challenges such as flood risk and rising sea levels, privacy and data security, demographic shifts, and regulatory pressures, are introducing new risk factors for investors that may not have been seen previously. As companies face rising complexity on a global scale, investors may re-evaluate traditional investment approaches. Therefore, the concept of ESG (Environmental, Social and Governance) which comprises the holistic approach for companies to remain responsible to its investors as well as stakeholders while complying with various environmental, social and governance regulatory risk.

1.1 ESG at Global and National level

International investors with global investment portfolios are increasingly calling for high quality, transparent, reliable and comparable reporting by companies on climate and other environmental, social and governance (ESG) matters. To support and strengthen this, on 3rd November 2021, the IFRS Foundation Trustees announced the creation of a new standard-setting board—the International Sustainability Standards Board (ISSB)—with the objective to deliver a comprehensive global baseline of sustainability-related disclosure standards that provide investors and other capital market participants with information about companies' sustainability-related risks and opportunities to help them make informed decisions. The leading economies like UK, European Union (EU), New Zealand, Hong Kong, Taiwan,

Singapore, have also made provisions with directive for non-financial reporting on a comply-to-explain basis.

In the context of ESG in India, the assets under management (AUM) related funds have risen recently to Rs. 12,300 Crores, a significant rise since 2019 when it stood at Rs. 2630 Crores. This size is however negligible compared to international aggregate status. Further, as part of ESG focus the cause of the environment is furthered by industry and infrastructure projects that attend to various parameters such as compliance with environmental regulations, green products development, addressing aspects of air emission and water conservation and wastewater emission/effluents treatment and pollution control, conservation of energy and energy efficiency, check on Hazardous Substances, attention to natural hazards mitigation and disaster recovery, biodiversity conservation, soil and ground water management, end of life products related waste management/ recycling leading to urban mining, and issues of packaging and plastics use related Extended Producer Responsibility (EPR) initiatives. As a focus on social domain, performance pertaining to parameters on consumer safety, fair disclosure and labeling, community relations, Health and Safety, Human Resource Management, Innovation focus and Customer privacy are addressed, and as part of governance aspects the impetus is on achieving higher benchmarks on ESG and processes, addressing issues in supply chain management & ensuring business ethics. These can all be eminently facilitated across sectors & verticals and strengthened further.

Climate finance is finance that aims at reducing emissions and enhancing sinks of green house gases and aims at reducing vulnerability of and maintaining and increasing the resilience of human and ecological systems to negative climate change impacts as defined by UNFCCC (United Nations Framework Convention on Climate Change). The estimates on demand for climate finance in developing countries range from \$140-175 billion per year for mitigation from 2010 until 2030, and associated financing needs of \$ 265-565 billion, and USD 30-100 billion a year for period 2010-2050 for adaptation (World Development Report, 2010). The domain of mobilization of Climate Finance & pledges internationally have been made to provision resources for various countries, regions, economies and economic actors such that efforts to check or reverse economic costs of climate change are strengthened. Accordingly the scope for building the channels and flows of climate finance to needed areas is key to achieving successful applications of such funds. As large scale investments are needed for supporting countries, tools & mechanisms are needed to access climate finance (directly and through accredited entities) such as from the green climate fund (GCF), global environment facility (GEF), Climate Investment Funds (CIFs), and adaptation fund (AF), as well as through other bilateral or multilateral public sources. There is additionally scope & need for private finance to be expanded and engaged via bankable projects, along with engagement of commercial banks, investment companies, pension funds, insurance companies, and sovereign wealth funds and the processes needed include assessments of risks and returns across investment horizons, and through suitable structuring of projects.

Further, the advent of green bonds principles (in 2014), and subsequently of social bond

principles (SBP) and sustainability bond guidelines (SBG) etc., have furthered financial flows and funds application for the environmental cause, and the opportunities towards this can be expanded. It has been estimated by the climate bonds market intelligence that green bond market size by 2021 is worth over USD 517 billion and accelerating, and India is likely to see huge expansion from USD 16.5 billion upwards.

To keep pace with the global development, SEBI (Securities Exchange Board of India), the market regulator had mandated in 2012 that the top 100 listed entities by market capitalisation to file Business Responsibility Reports (BRR) as part of their annual report, as per the disclosure requirement emanating from the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs). The requirement for filing BRRs was progressively extended to the top 500 listed entities by market capitalisation in 2015 and to the top 1000 listed entities in 2019. In order to keep pace with global developments viz. the UN Sustainable Development Goals (SDGs), Paris Agreement on Climate Change and the United Nations Guiding Principles on Business and Human Rights (UNGPs), the NVGs were revised and released as the National Guidelines on Responsible Business Conduct (NGRBCs) in March 2019.

Subsequently, the Ministry of Corporate Affairs (MCA) constituted a Committee on Business Responsibility Reporting ('Committee') for finalising BRR formats for listed and unlisted companies, based on the framework of the NGRBCs. Based on the recommendations of the committee Business Responsibility Report framework has been reworked and newer format being called the Business Responsibility and Sustainability Report ('BRSR') developed, to better reflect the scope of the reporting requirements. Overall, higher standards of ESG disclosures and transparency, will help in attracting more capital and investment. SEBI vide its circular no. 18/2021, dated 10th May 2021 has notified that the BRSR shall be applicable to the top 1000 listed entities (by market capitalization). In order to give time to companies to adapt to the new requirements, the reporting of BRSR shall be voluntary for FY 2021 -22 and mandatory from FY 2022 -23.

1.2 About CPSEs (Central Public Sector Enterprises) in India and significance of sustainability

From the pre-independence period, public sector has been playing an important role in the socio-economic foundation of the country. Being the largest commercial enterprises in the country, CPSEs provide a huge leverage to the government (their controlling shareholder) to intervene in the economy directly or indirectly to achieve the desired socio-economic objectives. In terms of contribution to Indian economy, PSEs (Public Sector Enterprises) have provided job opportunities in generating employment for more than one million people serving close to ten million lives in the country; provided strong industrial base (venturing into more than 25 sectors), created of strong infrastructure; facilitated social welfare and economic growth of the country while providing positive check on monopoly control with the potentiality to reduce inequalities on income & wealth and concentration of monopoly power.



Therefore, to enable sustainable growth, there are larger socio-economic imperatives of Public Sector Enterprises (PSEs). The PSEs being the public owned entities are not only accountable for ensuring growth in terms of capital but also are required to ensure the well being of the community and all stakeholders associated; further are responsible for sustainable use of resources while adopting the corporate governance standards as prescribed/ mandated by the Government. These demands and expectations from PSEs and CPSEs to contribute to achieve sustainability also requires structured reporting and ESG and BRSR frameworks are enabling the process.

1.3 About the Workshop

With the development of various standards/ reporting frameworks in the area of sustainability both at global/ international and also at national level, the corporations in India are adopting and reporting their sustainability measures either voluntarily and/or mandated by any statutory/ regulatory and/or business requirement. Further, the global investors are also looking for long term value while seeking and aligning with sustainability and climate-related objectives, thereby providing an opportunity for corporations to focus and prioritise about sustainable development and also its reporting as per national/ international standard/ framework. PSEs are no exception in this race; as Indian PSEs not only have a foot print beyond borders but also are providing global leadership in terms of technology, capital, management structure etc. and it is therefore important for PSEs to adopt sustainable business practices and also to report the same as per standards.

Amongst various developments made for corporate sustainability and under non-financial reporting disclosure, SEBI, the market regulator has mandated sustainability disclosure vide its circular no. 18/2021, dated 10th May 2021. Under this, Business Responsibility and Sustainability Reporting (BRSR) shall be applicable to the top 1000 listed entities (by market capitalization) from FY 2022-23. Therefore, to get familiar with the BRSR framework; adopt best practices about sustainable measures being taken up by industry leaders; to discuss about challenges/ issues, a workshop has been organised for CPSEs on 29 July, 2022 at Delhi. An early adoption and response to such standards would not only provide the CPSEs an impetus to the existing sustainable measures being adopted but also would provide a framework to systematise and monitor such initiatives in future.

1.4 Objectives of the Workshop

The workshop has been designed to benefit the CPSEs to enable the process of becoming future ready in the area of sustainability in terms of:

- Sensitizing about various dimensions of sustainability
- Discussion about reporting & compliance under BRSR framework of SEBI
- Reflecting on best practices adopted in terms of resource efficiency, socio-economic

measures, community development, corporate governance practices etc




- Discussion of challenges/ issues faced by PSEs
- Way forward for Indian CPSEs for being future ready and becoming global leaders in terms of sustainability

1.5 Primary participants

The participants have included senior executives and professionals, implementers, practitioners, senior and middle management personnel of CPSEs who are associated in the areas of ESG, BRSR and sustainability. In all 84 delegates from 52 Public Sector Enterprises across 12 domains have participated, such as from Petroleum and Natural Gas sector, Defence production, Railways, Power, Steel, Mines, Heavy industry, Coal, Housing and Urban affairs, Telecommunications, Ports, Shipping and Waterways, Chemicals and Petrochemicals, Finance etc.

1.6 ESG framework in essence

ESG is an acronym for Environmental Social and Governance aspects and is about increasing the scope through which we view the performance of a company, a sector or a region. It provides a framework to assess what we accomplish as a business and the way we go about meeting our objectives.

ENVIRONMENTAL FACTORS	SOCIAL FACTORS	GOVERNANCE FACTORS
 <p>It's about a company's impact on the environment. They are based on the premise that business activities have the potential to create environmental risks for ecosystems, water, air and human health. Key factors and parameters include:</p> <ul style="list-style-type: none"> • Using energy/ resources efficiently; • Using renewable energies that emit fewer GHG, are less polluting, and contribute less to climate change; • Managing waste responsibly (like adopting circular economy principles); • Having responsible practices across the value chain such as no deforestation policies or even animal welfare; • Resource Efficiency, clean technology • EPR and 3R policies etc. 	 <p>It's about the way businesses treat and value people. In other words, it is about the impact that companies can have on the internal and external stakeholders and those across the entire value chain. The factors/parameters include:</p> <ul style="list-style-type: none"> • Diversity and inclusion policies to ensure no type of discrimination occurs; • Safe and healthy working conditions for employees; • Labour standards across supply chains that guarantee fair wages and human rights protection; • Good relations with local communities for socio-economic development of community through various CSR programmes • Human Rights, Work force harmony, inclusion etc. 	 <p>It focuses on corporate policies and the corporate governance practices. It is about making the responsibilities, rights, and expectations of stakeholders clear so that interests are met and a consensus on a company's long-term strategy is achieved. The factors/ parameters include:</p> <ul style="list-style-type: none"> • Tax strategy and financial management; • Corporate risk management; • Executive compensation; • Corruption and bribery issues; • Board structure, composition and brand independence; • Protecting shareholder interests & rights; • Whistle-blower schemes/ policies • Anti-corruption policies, Audit Committee, • CSR strategy, compliances etc.

2.0 Inaugural session

The inaugural session of the workshop included an inspiring keynote address delivered by Shri Rajesh Kumar Chaudhry, Special Secretary, DPE, along with a galaxy of experts/specialists who presented and deliberated various dimensions of the subject as part of knowledge sharing and co-creation of perspectives. The enriching dialogue led towards seeding a fresh momentum for ESG and BRSR initiatives by CPSEs.

As part of the inaugural session, the guest of honour, Shri Rajesh Kumar Chaudhry, Special Secretary, DPE, and dignitaries lit the lamp towards invoking and seeking enlightenment. Snapshots and plates of the lighting of the lamp are placed ahead.



Plate 1 : Shri Rajesh Kumar Chaudhry, Special Secretary, DPE, lighting the Lamp at the inaugural session



Plate 2: Shri Sundeep Kumar Nayak, Director General, NPC, lighting the Lamp in the inaugural session



Plate 3: Dr. Rajeev Ranjan, Director, ICRO, lighting the lamp



Plate 4: Shri Jiwesh Nandan, Senior Adviser, NPC, lighting the lamp

The messages from the inaugural session of the workshop included thought provoking aspects of ESG. In his introductory remarks Shri Pawan Kumar, Principal Adviser, DPE, emphasised that both financial and non financial parameters are of equal importance and are key part of BRSR framework as well as Annual reports of Companies as value to customers is enhanced. He indicated that about USD 40 Trillion has been estimated by Goldman Sachs to be available as size of investment in ESG space which is approximately about 35% of AUM. He indicated that in India the ESG funding is growing at a CAGR of about 46% and is an opportunity for firms to attract ESG funds by good practices and reporting. Shri Sundeep Kumar Nayak, Director General, NPC, in his welcome remarks emphasised that for Indian GDP to double (to over USD 5 Trillion and grow further) and as per Conference of Parties (COP) 26 commitments and targets, ESG focus by enterprises would be key to meet the requirements and that NPC's core team of over 160 personnel spread across 12 Regional offices and network of 28 Local Productivity Councils could be a one stop solution provider on ESG advise, consulting and facilitation support for CPSEs and corporations. He indicated that a saptapadi methodology (seven step approach) is being proposed by NPC for consideration and application in ESG space by CPSEs.



Plate 5: Shri Pawan Kumar, Principal Adviser, DPE, delivering introductory remarks



Plate 6: Shri Sundeep Kumar Nayak, Director General, NPC, delivering Welcome remarks

Towards concluding the inaugural session Shri G. Saravanan, Director, Industrial Engineering, NPC, proposed a Vote of Thanks to the guest of honour and all the dignitaries on the dais. The program was coordinated by Ms. Nikita, Asstt. Director (Environment and Climate Action Group).



Plate 8 : Shri G. Saravanan, Director, Industrial Engineering, NPC, proposing the Vote of Thanks of the inaugural session



Plate 9 : Master of the Ceremony, Ms. Nikita, Asstt. Director (ECA Group), NPC, coordinating and moderating the inaugural and the technical sessions

3.0 Technical Session 1: Theme: Implementation, integration, compliance & reporting w.r.t BRSR mandate

In the technical session 1, Shri K. D. Bhardwaj, Group Head (ECA Group and International Services), NPC, gave a presentation on 'Assistance to organisations to be ESG compliant in a sustainable manner'. He highlighted the preparedness of NPC to be of service for the CPSEs and highlighted the vast number of projects in Environment and Energy, Industrial engineering and Social dimensions, Monitoring and Evaluation etc undertaken and reflected steps of the saptapadi methodology. He indicated that besides being involved in development of certified energy auditors and managers in association with Bureau of Energy Efficiency, NPC is striving to develop certified environmental auditors and managers in association with the Ministry of Environment, Forest and Climate Change and key agencies such as NEERI/GIZ/QCI through an in the works programme/initiative.



Plate 10 : Shri K.D. Bhardwaj, Group Head (Environment and Climate Action Group and International Services), NPC, presenting perspectives on the topic 'Assistance to Organizations to be ESG compliant in a sustainable manner'

Mr. Bhardwaj, gave an introduction to the genesis of NPC and role in promoting productivity across various sectors. He also informed about various NPC service areas and of specialization/ expertise, such as in the field of Environment and climate action, Energy management, industrial engineering etc. He highlighted the pan India presence of NPC through its 12 regional offices and 28 local productivity councils and having head office at New Delhi. He indicated that NPC has a unique strength and can provide total solutions under one roof, and as a part of Government of India can undertake projects on nomination basis. He reflected on the multi disciplinary expertise, third party assessment and audit services of NPC and reflected on some of the milestones such as NPC had undertaken over 7500 consultancy assignments, had trained about 1.2 million professionals, has trained 12000+ boiler competent persons, has certified 20,000+ energy auditors, and is preparing to train 1,000+ environment auditors per year from 2022 onwards etc.

Mr. Bhardwaj also highlighted international linkage with Asian Productivity Organisation and the access to and availability of international expertise from over 20 countries. He further highlighted a range of projects NPC has undertaken in the areas of Waste Minimization, Cleaner production. Lean manufacturing, Energy Management, Comprehensive Industry Documents in over 20 sectors, Energy and Water auditing, Industry 4.0 services and so on.

Further, he elaborated upon a framework for providing End-to-End Solutions for ESG implementation, i.e SAPTAPADI. The SAPTAPADI approach consists of 7 steps as mentioned below:

- ❖ Step 1: Pulse Check (Materiality assessment and establishing baseline)
- ❖ Step 2: Setting up the stage (ESG team, sensitization and assigning roles, ESG policy and strategy, setting up goals and objectives)
- ❖ Step 3: Gap assessment (identification of opportunities, potential and priority area for necessary intervention)
- ❖ Step 4: Designing ESG framework, Key Performance Indicators and action plan
- ❖ Step 5: Execution
- ❖ Step 6: Compliance, documentation and reporting
- ❖ Step 7: Improvement, sustenance and roadmap for future ready enterprises

Some of the presentation slides reflecting NPC's achievements, the saptapadi approach for ESG implementation, and on NPC competency areas synchronized with ESG drivers are placed here.



Figure 3.1 (a-f) : Key presentation slides of deliberations by Shri K.D. Bhardwaj

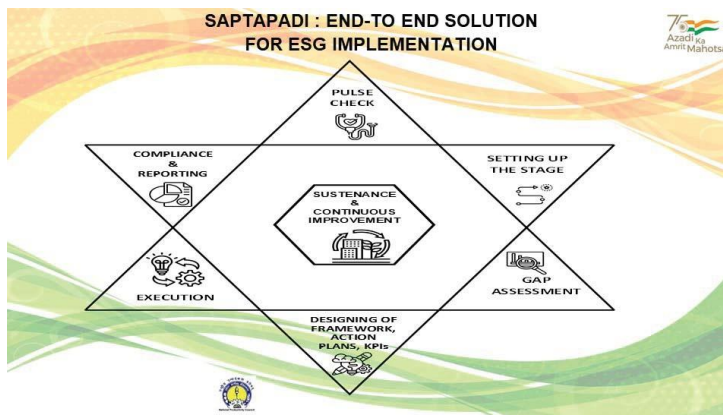
(a)



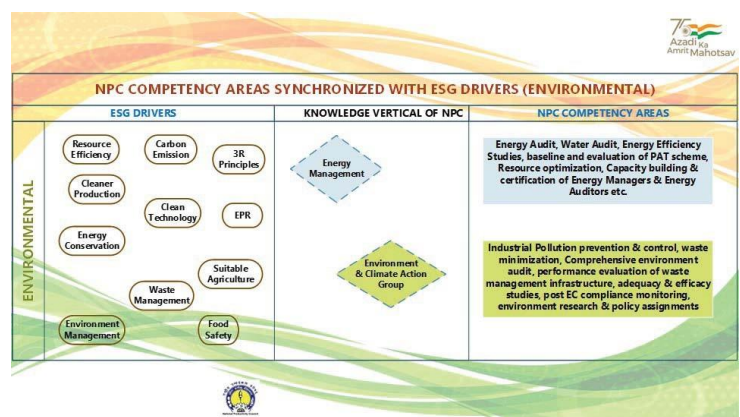
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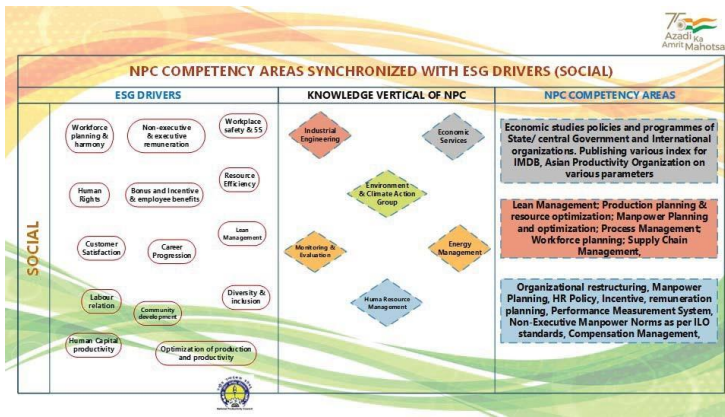
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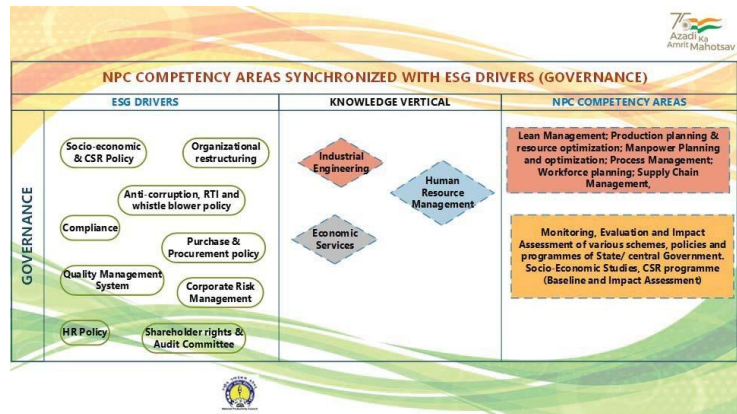
(d)



(e)



(f)



In the next presentation and discussion on the theme of integrating ESG in business strategy, Dr. Raj Singh, Regional Director (North), Ministry of Corporate Affairs, brought the importance of the Agricultural sector to be included in the ESG and BRSR framework ahead, especially as multiples of pesticides and fertilisers being consumed to enhance land productivity and shared ratios on the matter, including about harm to biodiversity from the agricultural processes. He indicated that cost of compliances for corporate needs attention and that various frameworks of disclosures to further need for range of audits calls for attention such that a standardised framework be evolved and that BRSR framework of SEBI was in the right direction.

Dr. Raj Singh especially emphasised that integrating ESG and communicating risks to stakeholders enables build a resilient business that can tackle crisis with proper governance.



Plate 11 : Dr. Raj Singh, Regional Director (North), Ministry of Corporate Affairs, Government of India, highlighting aspects of Integrating ESG with Business Strategy

In the next presentation on the theme 'BRSR mandate and its compliance' Madam Surabhi Gupta, GM, SEBI, reflected deeply the BRSR framework and evolving norms and various parameters and also indicated how PSU's were faring across E, S and G domains related reporting and that the number of PSU's engaging from BRR to subsequently BRSR were increasing. She also highlighted COP 26 commitments and international studies on reporting as done by CDP, and the importance of addressing risks and their management that is rising in the corporate and financial world. She said that qualitative and quantitative parameters and essential and leadership based disclosure requirements exist in BRSR as part of the matrix and that benefits are being realised by corporate and financial institutions taking initiatives on the reporting works and that BRSR is a long term value creation framework for the stakeholders.

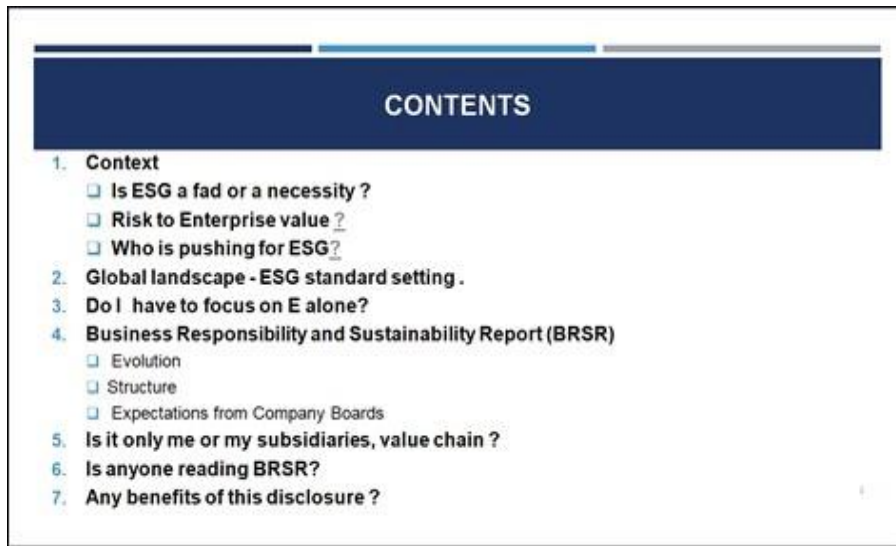


Plate 12 : Ms. Surabhi Gupta, General Manager, SEBI, presenting and highlighting aspects of BRSR mandate and its compliance

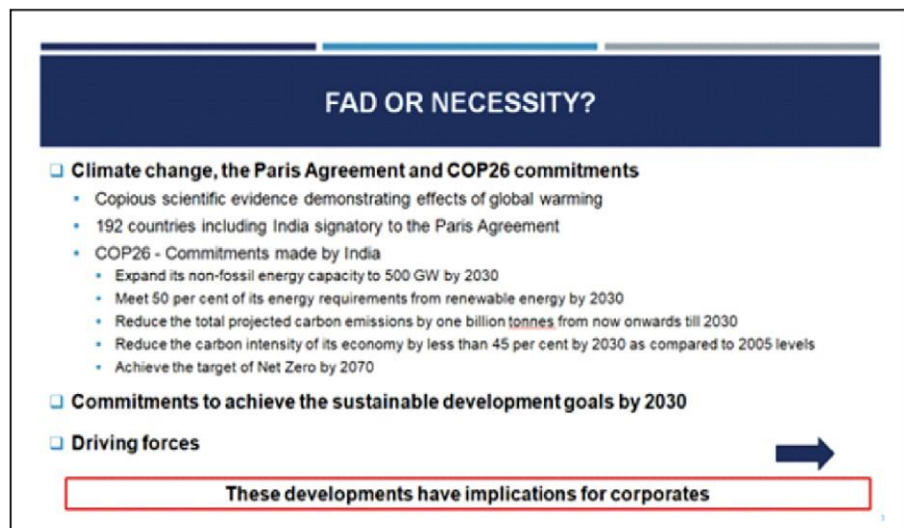
Some of the key slides from presentation of Ms. Surabhi Gupta are placed at Figure 3.2 (a-i).

Figure 3.2 (a-i) : Key presentation slides of Ms. Surabhi Gupta's presentation on BRSR Mandate and its compliance

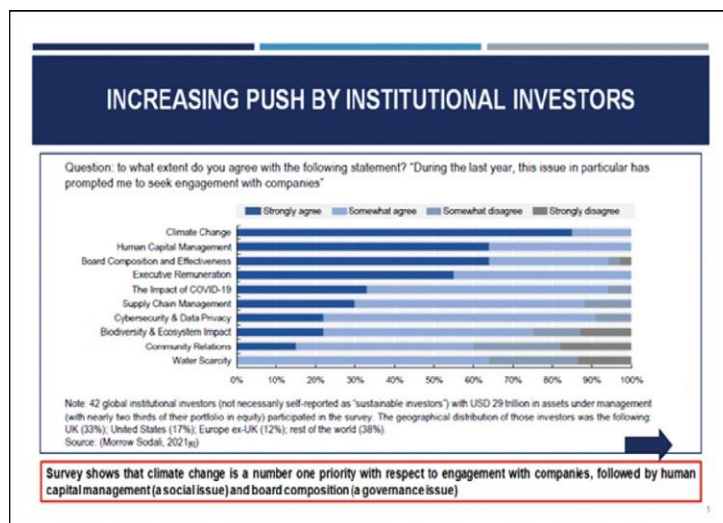
(a)



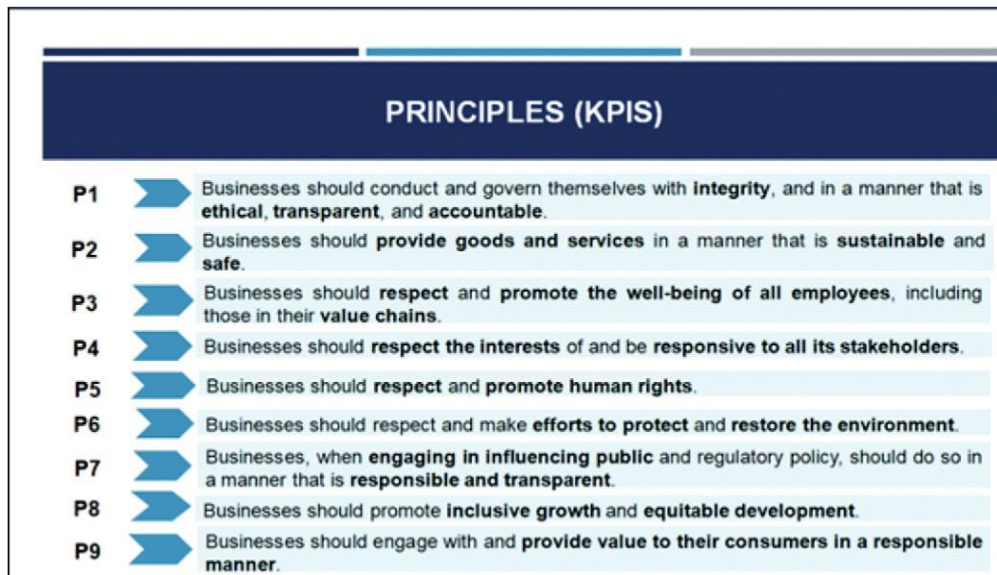
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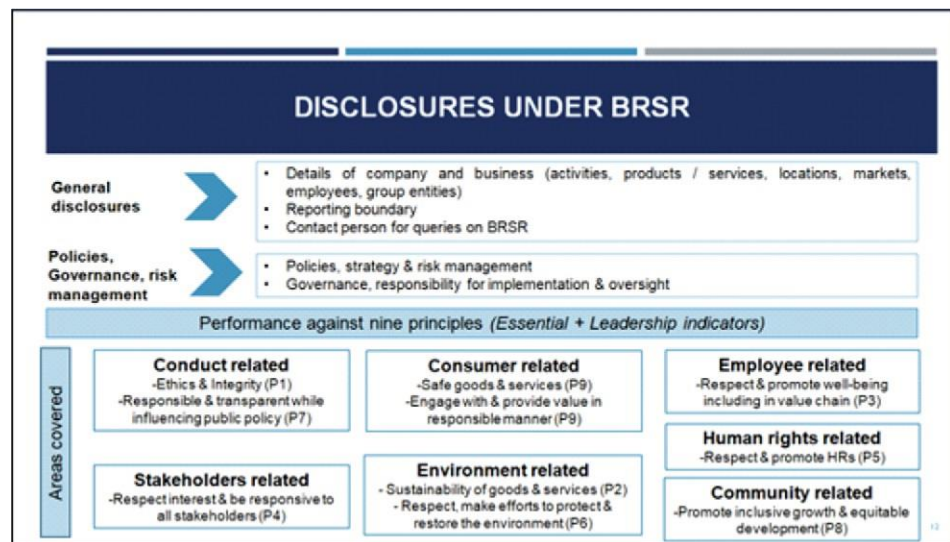
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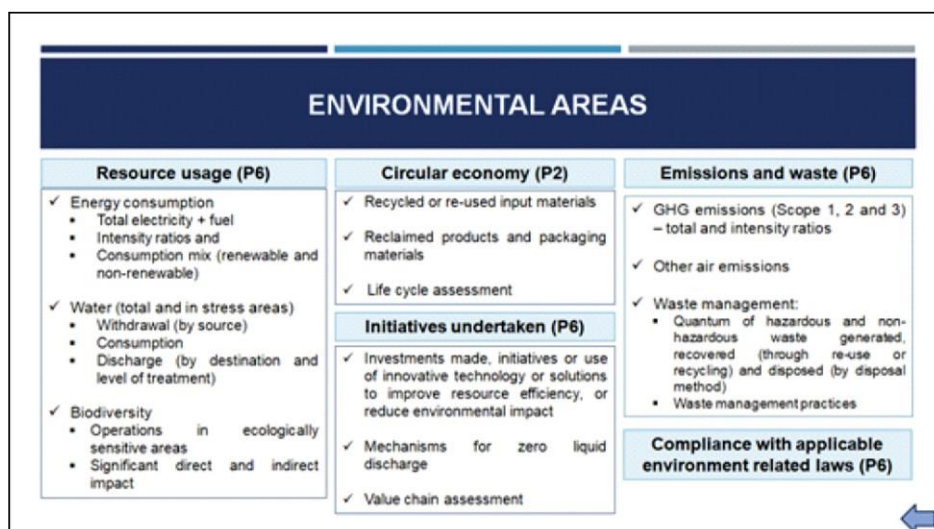
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(e)



(f)



(g)

SOCIAL AND ECONOMIC AREAS	
Employees / labour (P3) <ul style="list-style-type: none"> ✓ Employee and workers - Diversity & Inclusion ✓ Turnover rates, return to work and retention rates after parental leave ✓ Wages & benefits ✓ Training, education - career development and transition assistance programs ✓ Health, safety and working conditions <ul style="list-style-type: none"> • Occupational health and safety system • Safety related incidents and rehabilitation of affected persons • Access to non-occupational health and medical services • Assessments (including in value chain) and corrective action ✓ <u>Labour</u> / management relations and freedom of association 	Human Rights (P5) <ul style="list-style-type: none"> ✓ Training, Assessments on human rights issues and corrective measures including in value chain ✓ Mechanisms to redress human rights grievances and prevent adverse consequences ✓ Whether human rights agreements form part of business agreements / contracts ✓ Complaints and assessments on child labour, forced labour, sexual harassment and discriminatory employment

(h)

SOCIAL AND ECONOMIC AREAS		
Community (P8) <ul style="list-style-type: none"> ✓ Social Impact Assessments (SIA) of projects ✓ Rehabilitation and Resettlement ✓ Corporate Social Responsibility (CSR) ✓ Procurement of goods and services from local & small producers ✓ Preferential procurement from marginalized /vulnerable groups 	Consumer (P9) <ul style="list-style-type: none"> ✓ Customer health and safety <ul style="list-style-type: none"> • Product recalls due to safety issues • Information on safe usage ✓ Customer privacy <ul style="list-style-type: none"> • Cyber security and risks related to data privacy • Information relating to data breaches ✓ Cases on unfair trade practices, irresponsible advertising and/or anti-competitive behaviour 	Conduct (P1) <ul style="list-style-type: none"> ✓ Fines / penalties / action taken by regulators, judicial or law enforcement agencies ✓ Details of anti-corruption or anti-bribery policy ✓ Confirmed incidents of corruption and action taken ✓ Complaints with regard to conflict of interest

(i)

GOVERNANCE, STRATEGY & RISK MANAGEMENT		
Governance, leadership & oversight <ul style="list-style-type: none"> ✓ Disclosure of sustainability related policies and whether they are approved by the Board ✓ Board Committee responsible for decision making on sustainability related issues ✓ Details of the highest authority (Board or management committee) responsible for implementation and oversight of the policy ✓ Frequency of review of performance ✓ Whether any independent assessment was carried out of the working of the policy by an external agency 	Strategy <ul style="list-style-type: none"> ✓ Statement by the director responsible for the BRSR, including vision & strategy, sustainability priorities, challenges and outlook ✓ Web-link of sustainability related policies ✓ Commitments, goals & targets, with timelines and performance 	Risk Management <ul style="list-style-type: none"> ✓ Material environmental and social related risks and opportunities: <ul style="list-style-type: none"> ➢ Rationale for identification ➢ Financial impact (qualitative) ➢ Approach for adaptation or mitigation
		Stakeholder Engagement <ul style="list-style-type: none"> ✓ Stakeholder mapping and complaints ✓ Use of feedback from stakeholder consultation

In her elaborate presentation Ms. Surabhi Gupta emphasised that reporting on ESG parameters has become a necessity and not an option any more. She reflected on survey results amongst institutional investors, who have indicated that climate change (an environmental issue) was number one priority with respect to engagement with companies, followed by human capital management (social issue) and board composition (governance issue). She focused on nine underlying principles of ESG reporting and delineated a range of indicators (essential and leadership indicators) as linked with the various principles and as per the disclosure framework of BRSR.

She also reflected on CDP study on 500 companies whereby 215 companies reported that their assets were likely to get impacted with climate change effects, and there was need for efficient processes in view of risks that need to be measured and action taken. She also highlighted a McKinsey study on institutional and other investors that emphasised that climate change and sustainability related risks are a material issue in their investment decisions. She further said that investors were not looking at a stand alone company performance but also on the value chains. She informed that a task force on Financial Disclosures (TCFD) has emerged to strive for convergence across reporting standards.

Ms. Surabhi Gupta emphasized upon the necessity of reporting to meet the climate change, the Paris Agreement and COP26 commitments. She highlighted the physical, transition and legal and technology risks to enterprise value. She said Global regulatory response needs to shift to mandatory ESG disclosures. Further, she informed that IFRS Foundation has announced formation of the International Sustainability Standards Boards. She reflected on the evolution of sustainability report since 2012 (BRR) to 2021 (BRSR). She indicated that the BRSR structure includes essential and leadership indicators, quantifiable metrics, and enabled inter-operability in reporting. She emphasized that the company board members are expected to review the company vision, strategy, sustainability priority, challenges and outlook. The board is also expected to approve the sustainability related policies for decision making on sustainability related issues and performance. She concluded that it has been observed that integrating of ESG leads to sustainable financial growth and assists the companies in increasing revenue, cost reduction in production process and services and avoiding litigations and towards achieving higher productivity.

As part of the technical session 1, further deliberations were undertaken on the theme of challenges in BRSR reporting and best practices, and towards highlighting perspectives of CPSEs.

The speaker from ONGC, Shri S.K. Shrivastava, Executive Director and Chief, Carbon Management and Sustainability Group, presented the initiatives as first movers and the challenges of reporting process and also highlighted the stewardship by some CPSEs who were

earliest adopters of disclosure initiatives. He indicated that the issues such as reporting for the value chain, including on contract labour of contractors, data generation approaches for the KPIs and variations involved in reporting units say for tCO2e have been needing further standardisation and clarity. While praising SEBI and BRSR and the many parameters, the speaker emphasised need for BRSR principles wise trainings for personnel to strengthen the aggregation of reporting inputs into annual reports. Suggestions included greater standardisation and sector specific reporting approach as part of rating framework and potential incentives for early adopters, especially as the costs are high initially and that in due course for others costs of ratings and reporting gets moderated.



Plate 13 : Shri Sanjay Kishore Shrivastava, Executive Director and Chief, Carbon Management and Sustainability Group, ONGC presenting Challenges in BRSR reporting and best practices as case study from ONGC

Some of the insightful slides from Shri Shrivastava's presentation are placed at Figure 3.3 (a-e).

Figure 3.3 (a-e) : Key slides reflecting initiatives by ONGC and on challenges and benefits from BRSR reporting framework

(a)



(b)

ONGC : Key Challenges from BRSR framework

1

Substantial Change in Reporting Requirements

The increase in number of questions from 59 to 140, and detailed demand for Quantitative KPIs, may require ONGC to update processes and policies for implementing BRSR Requirements.

2

More synergy required between departments for BRSR inputs

BRSR covers a holistic view of ONGC's non-financial disclosures. This will require different departments such as HR, HSE, IT, R&D, Purchase, Operations, etc. to manage and consolidate data more effectively.

3

Increase in performance expectations from stakeholders

BRSR is pushing ONGC to move from 'doing no harm' to 'contributing proactively for a change'. This will result in increased expectations from stakeholders for enhanced ESG performance.

Slide 4

(c)

ONGC : Key Challenges from BRSR framework - Section wise

- #### 1 General Disclosure

 - Provide segmented data for HR (e.g. Male/Female; Employees/ Workers/Reserved Categories/PwD) for better representation and reporting
 - Align the definitions for Executive/ Non-executive with the BRSR guidelines (Permanent/Temporary - Employees/Workers)
- #### 2 Management Disclosure

 - Principle wise -Goals, targets, performance, review needs to be introduced
 - ESG targets, challenges and achievements need focus
- #### 3 Principle-wise Disclosure

- Trainings and awareness programmes to be conducted principle wise
 - Principle 2: Quantification of inputs sustainable sourcing, disposing of products,
 - Risks and mitigation
 - Principle 3: Worker associations, career development reviews, safe and healthy workplace
 - Principle 5: Assessments of Human Rights for value chain, Minimum wage etc.
 - Principle 6: Detailed data e.g. Air emissions for pollutants; waste generation, electricity consumption; law/ regulation wise compliance; scope 3 details needs to be collected.
 - Principle 7: Policy advocacy needs to be better documented and reported.
 - Principle 8: SIA details as well as Rewards and Recognition activities needs to be consolidated for documentation.
 - Principle 9: Customer complaints would need to be collected and reported category-wise.

Slide 5

(d)

ONGC : Key Benefits from BRSR framework

1

E&S focused operations to play a key role in India's Energy Security

2

Benchmarking Global Reporting Standards to demonstrate value for stakeholders

3

Training & awareness and Assessment Disclosures

ONGC Perspective

BRSR encourages an organisation to map its transition to E&S responsible operations and hence is in line with ONGC Energy Strategy 2040

Key E&S metrics would be monitored and mapped for continuous improvement.

ONGC has been preparing SR based on GRI guidelines. BRSR allows cross-reference reporting with internationally accepted disclosure parameters as set out under GRI, DJSI, CDP, MSCI, TCFD amongst others

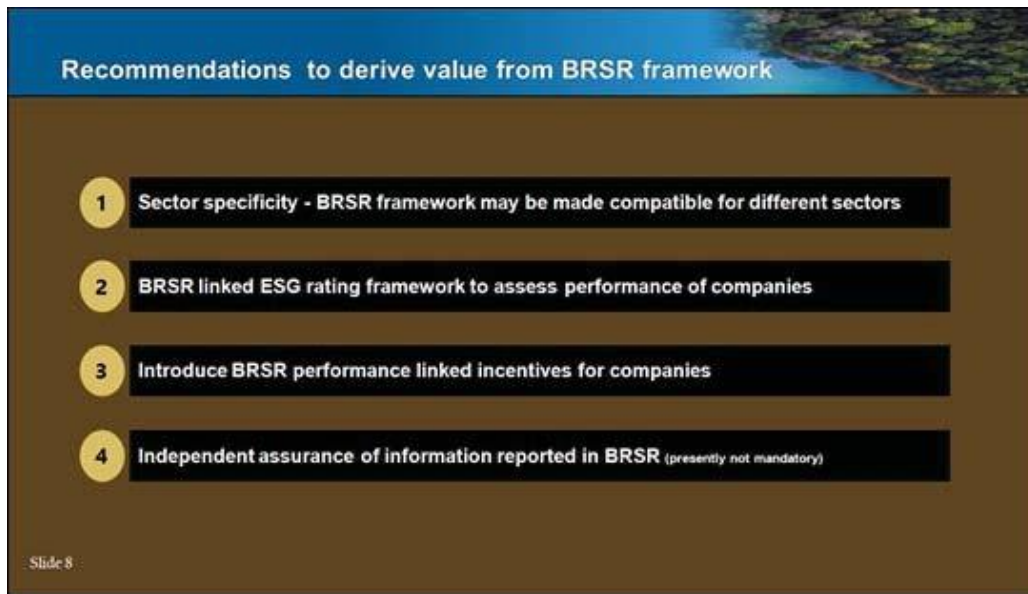
ONGC is constantly leveraging international collaborations with reputed majors and hence would be able to provide information with ease even if international companies are following other standards

The new format lays emphasis on imparting adequate awareness and training sessions to cover all principles

Setting of goals, targets and monitoring performance principle-wise

Slide 6

(e)



Shri Shrivastava indicated that there are difficulties in integrating information in digital systems as well. He reflected initiatives of ONGC on Human Rights policy, tendering processes, and focus on net zero targets. He indicated that ONGC could contribute insights for a future BRSR Version 2.0, including on issues such as to address need for uniformity of rating processes by different rating agencies. Shri Shrivastava informed that BRSR consists of 3 sections :

(a) General Disclosure:

The objective of this section is to obtain basic information about the company - size, location, products, number of employees, CSR activities, etc. The proposed formats include additional disclosures on proximity of a company's operations to environmentally sensitive sites such as protected areas, water-stressed zones, etc.

(b) Management Disclosure:

The company is required to disclose information on policies and processes relating to the NGRBC Principles concerning leadership, governance, and stakeholder engagement. Wherever relevant, companies have been asked to provide links to their websites where these policies are available.

(c) Principle-wise Disclosure:

Responses to Section C indicate how a company is performing in respect of 9 Principles and

Core Elements of the NGRBCs. This section requires companies to demonstrate their intent and commitment to responsible business conduct through actions and outcomes. The questions have been divided into two types:

- Essential (Mandatory)
- Leadership (Voluntary)

He compared the BRR (old format) VS BRSR (new format) and the Key highlights are given below:

1. Concise and minimal bifurcation of important areas
2. This would ensure that all information already filled on MCA21 portal will be automatically mapped while filing BRSR
3. Increased importance for quantitative disclosure for enhanced transparency
4. Companies planning to develop BRSR with no prior experience may consider BRSR lite as the starting point to understand the requirements.
5. Better data management and consolidation required for companies

He highlighted that the Key Challenges faced by ONGC from BRSR framework are:

1. The increase in number of questions from 59 to 140, and detailed demand for Quantitative KPIs, which may require ONGC to update processes and policies for implementing BRSR Requirements.
2. BRSR covers a holistic view of ONGC's non-financial disclosures. This will require different departments such as HR, HSE, IT, R&D, Purchase, Operations, etc. to manage and consolidate data more effectively.
3. BRSR is pushing ONGC to move from 'doing no harm' to 'contributing proactively for a change'. This will result in increased expectations from stakeholders for enhanced ESG performance.

He said it is envisaged that BRSR framework would lead to benefit ONGC as follows:

1. E&S focused operations to play a key role in India's Energy Security
2. Benchmarking Global Reporting Standards to demonstrate value for stakeholders

3. Training & awareness and Assessment Disclosures

He further made following recommendations to derive value from BRSR framework

1. Sector specificity - BRSR framework may be made compatible for different sectors
2. BRSR linked ESG rating framework to assess performance of companies
3. Introduce BRSR performance linked incentives for companies
4. Independent assurance of information reported in BRSR (presently not mandatory)

The next presentation was made by senior representative resource speakers from NTPC, Shri S. K. Takhele, General Manager (Environment and Sustainable Development) and Shri Vikas Kumar, Manager (Environment and Sustainable Development) reflected upon the plans of transitioning from GRI framework to BRSR framework and about targets for renewable, carbon capture, green hydrogen based micro-grids, policy on supply chain reporting and about the Brighter Plan 2032.

Sh. Santosh Kumar Takhele highlighted features about the circular dt. 10th May, 2021 by SEBI wherein it is mentioned that new reporting has been introduced for 1000 listed entities and are required to report mandatory for the financial year 2022-23. He said that the BRSR has superseded the BRR framework. The BRSR consists of 62 essential and 42 leadership parameters/questions. Further, the BRSR framework is more comprehensive and quantifiable matrix which is evidence based. In addition to above he said that the BRSR is aligned with the SDG and other framework so that business can demonstrate their performance on SDG targets.



Plate 14: Shri Santosh Kumar Takhele, General Manager (Environment & Sustainable Development), National Thermal Power Corporation (NTPC) presenting Challenges in BRSR reporting and best practices as case study from NTPC



Plate 15: Shri Vikas, Manager (Environment & Sustainable Development), National Thermal Power Corporation (NTPC) presenting Challenges in BRSR reporting and best practices as case study from NTPC

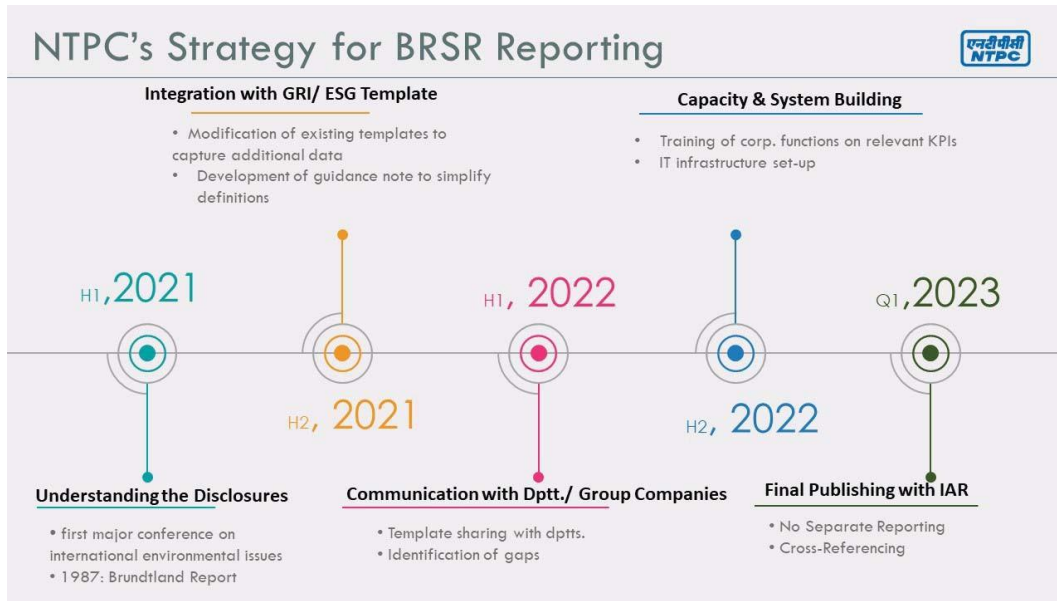
Mr. Takhele highlighted NTPC journey since 2012 on the disclosures and engagements which includes sustainability reporting as per GRI, expanded the boundary of reporting including joint ventures and subsidiaries, materiality assessment and regular follow up and discussion with leading ESG analysts and rating agencies.

Further, Shri Vikas Kumar reflected on NTPC strategy for BRSR reporting that required integration of GRI and ESG templates, capacity and system building, communication with departments and group companies. The challenges reported by the speaker w.r.t NTPC are related to workforce (male and female data of contractual employees, voluntary turnover problem and health insurance aspects), supply chain (awareness programmes on NGRBC principles, percentage of value chain partners access to health and safety working conditions, product and services (percentage of Capex and R&D to improve environmental & social impact of products, percentage of inputs sourced sustainably, recycled or reused input material to total material, Life Cycle Analysis), human rights (training, assessment of business units) and environment (Water withdrawal, Break-up of the GHG, Waste recycling and disposal data etc).

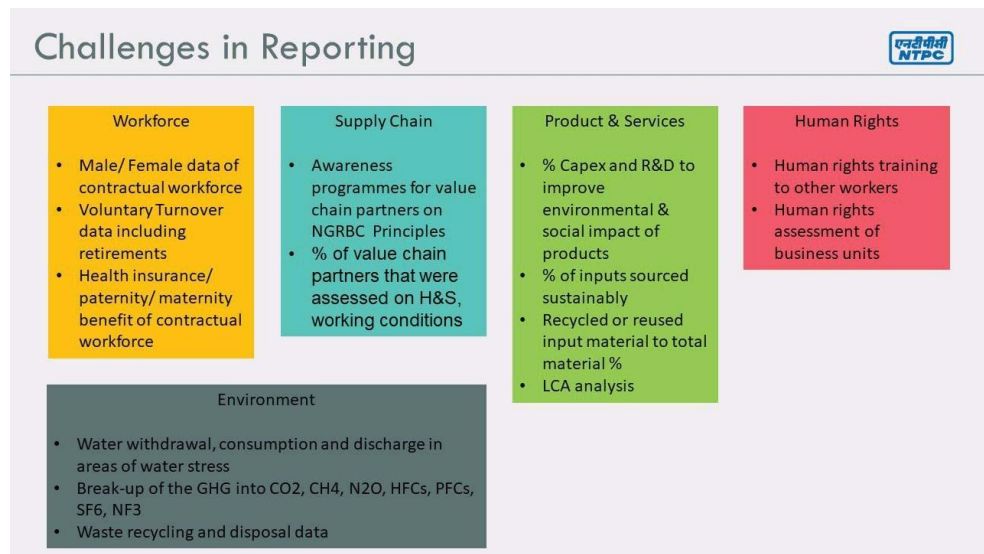
NTPC speakers highlighted that NTPC is a Central PSU and its management has limited role to play regarding appointment of Directors, regarding gender diversity in the board members etc. Focus was further brought onto NTPC's Sustainability Strategy Plan 2032 which was to include Stronger Finance & Ethics, Health and Safety, Community Development, Sustainable Supply Chain, Circular Economy, Water & Biodiversity Conservation, Decarbonisation & Air emissions control related indepth reporting processes. Some of the key slides from NTPC speakers' presentation are placed at figure 3.4 (a-e).

Figure 3.4 (a-e) : Some of the insightful presentation slides by NTPC reflecting on NTPC strategy, challenges in reporting, PSU perspectives and way forward

(a)



(b)




(c)

ESG Ratings: PSU Perspective

S/N	Parameter	ERP's Concern	NTPC's Stand
1	Ownership & Control	Combined with the lack of an independent board majority, the interests of minority shareholders may be subordinated to those of the dominant shareholder	Govt. Ownership should not be the criteria to estimate the ESG performance of a company
2	Board Independence	Composition of the Board	Appointment of directors are done by the govt. We regularly communicate to govt. for timely appointments. This is again beyond the control of PSUs Management. Because of this, sometimes there are lesser IDs on Audit Committee & NRC.
3	Board Skills and Diversity	Lack of concerned management expertise & lesser than 30% female directors	Appointment of directors are done by the govt. Gender diversity on the Board is in line with the statutory provisions. Increasing the % of women director is again beyond the control of PSUs Management.
4	Board Leadership	Failed to split the roles of CEO and chairman, which may compromise the board's independence from current management interests	This is not under control by PSU management.
5	Related Party Transactions	The company is a state owned enterprise (SOE) and there are related party transactions with other SOE majorly CIL.	In India, CIL is the SOE which is primarily involved in mining and supply of coal and is the major supplier to the Company. NTPC consumes approx 25% of the coal produced in India while CIL produces around 85% coal and other producers are mostly involved in captive coal mining and therefore the Company has no viable option but to procure coal from CIL.
6	Pay policies	Executive pay practices fall into the average scoring range relative to global peers. The company has failed to incorporate links to sustainability performance in its current incentive pay policies.	NTPC is governed by DPE guidelines in this regard.

(d)

ESG Ratings: Way Forward



Issues	Proposed Scope of Regulation	Development
<ul style="list-style-type: none"> Global ESG rating providers are unregulated, globally Opaque rating methodology, Potential conflict of interests, risk of greenwashing, capital misallocation Lack of India-specific ERP 	<ul style="list-style-type: none"> SEBI proposes to accredit ERPs for the purpose of assigning ESG ratings to listed entities and listed securities A listed entity who wants an ESG rating can get one only from a SEBI-accredited ERP. Index Providers – if using ESG ratings shall only use SEBI-accredited ERPs 	<ul style="list-style-type: none"> SEBI has constituted a committee for advising on ESG – related matters in the securities market The committee was divided into three sub-committees ; Sub-Committee on ESG Rating has representation of NTPC PSU's limited control on governance was conveyed to the sub committee with the suggestion of evaluation of alternate parameters for the same

(e)

NTPC's Sustainability Strategy



The Brighter Plan 2032

Aligned to core business strategy, 26 KPIs of 7 focus areas on Economic, Social and Environmental fronts

The technical session 1 chair, Dr. Rajeev Ranjan, summarised the deliberations and further emphasised the importance and benefits of ESG reporting for CPSE's and it being inherent to the aspirations of India for GDP growth. He highlighted about James Lovelock theory - the Gaia theory- about Earth being a single living organism and about the inter-connectedness of all components. He indicated that over Rs. 5819 Crores have been mobilised as green bonds and that SDG investments are important and there is high potential on ESG front especially if we look at long term investment and reporting approach as further harmonisation occurs in the framework parameters. He emphasised that we need to go into a long term approach and into inter-generational perspectives at all levels of the economic activity and take advantage of BRSR framework.

Shri Rajeev Ranjan emphasised need for leadership at all levels and amongst companies and individuals towards prioritising ESG and that it was a journey. He informed that while cumulative impact of policies is not easy to measure, harmonisation efforts on ratings across developed and developing countries, among large and small enterprises was also a challenge, yet focus on differentiated and yet common responsibilities as a guiding tenet can be an enabler for achieving sustainable development objectives, and that the evolving ESG rating systems can be key to the process.



Plate 16 : Shri Rajeev Ranjan, (IAS Retd.), Chair of Technical session 1, summarising the takeaways and reflecting views on the challenges in ESG implementation and way forward

The technical session 1 takeaways : The takeaways from technical session 1 included an overview of key concepts of ESG, current level of organisation in terms of ESG readiness, and measures and assistance available in analysis of ESG activities and reporting on BRSR framework. The delegates gained insights on nature and structure of BRSR reporting framework and compliance requirements as mandated by SEBI. The session flagged issues, challenges and difficulties faced by CPSEs and reflected upon potential way forward in the process of aligning ESG reporting with business strategies. The session helped delegates from various departments across participating CPSEs to get familiarised with the evolution of ESG reporting and the BRSR framework requirements and key roles across departments to contribute to BRSR compliance.

4.0 Technical Session 2 : Theme: ESG in pursuit of Sustainable Development with emphasis on sustainable utilization of assets and enhancement of efficiencies

The first presentation in Technical session 2 has been made by session chair Shri Jiweish Nandan, who highlighted that India has traditionally itself been focused on sustainability aspects and that ESG and BRSR are organised and structured frameworks useful to adopt for long term benefits by stakeholders, especially as firms try to internalise externalities, and that as transparency grows, regulation by peers and review by peers shall further evolve. He also highlighted about LIFE (Lifestyle for Environment) as another focus area being promoted of GOI.



Plate 17: Shri Jiwesh Nandan, IAS (Retd.), Sr. Adviser, NPC, presenting potential of ESG in pursuit of Sustainable Development

Some of the slides from the presentation of Shri Jiwesh Nandan are placed at Figure 4.1 (a-c).

Figure 4.1 (a-c) : Key slides of Shri Jiwesh Nandan on context of Responsible business practice and issues and prospects on future reporting needs

(a)

Sustainable

- ❖ Non Financial regulations
 - Norms and ways of doing business-handling decision making, safety and ethics-about health of organization
 - Environment regulations about climate change and resource depletion- about use of resources
- ❖ Capital market regulations based on BRSR/ESG/GRI
 - Encompasses financial and non financial
 - Affects investments and borrowing
 - Generates New financial products sensitive to ESG
 - Newer Investments will positively look for better compliance to ESG principles
 - Future financing dynamics are evolving
 - “Environmental sensitivity and responsible business” will be guiding the future growth of companies

(b)

Responsible Business Practice-growing trend

- ▶ GRI Global Reporting Initiative-identify and prioritize impact on environment, economy and people
 - ▶ Universal Standards
 - ▶ Sector Standards
 - ▶ Topic Standards
- ▶ ESG for identifying potential risks and growth opportunities
- ▶ BRSR- uses the principles of GRI and ESG
- ▶ Non financial performance indicators for ethical and sustainability impact of an investment
- ▶ Minimizes risk of investment

Results in a robust organization, in harmony with community and society, and causing minimal harm to environment

(c)

Issues

- Skewed towards process and procedure
- Applies uniform yardstick for different geographies and industries
- Varying weightage among different parameters
- Every investing or asset management company will give different scores to the same ESG disclosure
- Only 32% correlation on ESG score among rating agencies whereas credit rating has 99% correlation
- Overshadows financial performance
- Loses focus

In 2021

- 40% investment based on ESG (Deloitte Centre for Financial Services)
- 33% investment based on ESG (Bloomberg Intelligence)

Shri. Nandan briefed that ESG has been an emerging topic and it is not only being discussed in India but world over. There are many opinions on ESG and sustainability is essential for businesses and disclosure of their financial and non financial performance an integral part of the process. He said that in India every sector was working on ESG aspects for many decades directly and indirectly, which includes via factory act provisions and response, Labour act provisions, and Environment related rules and regulations.

He emphasized that BRSR has brought a change whereby capital market regulator is asking for ESG disclosures. He indicated that the capital market regulator's involvement has indicated nature of future investments which will be on ESG perspectives. He emphasized that Disclosure brings transparency and regulations by peers in essence.

He concluded that:

- ESG/GRI/SRI/BRSR is the future
- Will keep on evolving
- Makes organizations and businesses robust and transparent
- Investments in future likely to be ESG conscious
- Future customer will be ESG conscious
- Leads to minimizing risk for investment
- Key is measuring non financial and quality aspects faithfully
- Design of Performance matrix for quality

The next speaker in Technical session 2, Shri G. Saravanan, Director IE, NPC, shared examples of inventory management and assets utilisation efficiencies and their variances as well as linkages to ESG parameters and principles. He highlighted need for going beyond reporting aspects and the tools that can enable, including productivity enhancements approach.



Plate 18: Shri G. Saravanan, Director (Industrial Engineering), NPC, presenting insights on topic 'Sustainable Utilisation of Assets and Enhancement of Efficiencies'

Some of the insightful slides from Shri Saravanan's presentation are placed at Figure 4.2(a-d).

Figure 4.2(a-d) : Insightful slides from presentation of Shri G. Saravanan on focus needed on assets management and norms and going beyond reporting perspectives

(a)

ASSETS

- Plant and Machinery
- Inventory

Plant, machinery and Inventory are from depletable resources

Usage and disposal has linkage to Social, Environmental concerns

Intervention on packing material

NATIONAL PRODUCTIVITY COUNCIL

(b)

Equipment Level Norms

Equipment	No. of Equipment as on 01.04.2021	% achievement of CMPDI Availability Norms for 2020-21
Dragline	32	89
Shovel	628	96
Dumper	2520	115
Dozer	959	103
Drill	616	108

Source : CIL Website

NATIONAL PRODUCTIVITY COUNCIL

(c)

INVENTORY DETAILS OF CPSEs

Year	Value of Inventory (Rs crore)	Cost of production (Rs crore)	Inventory Turnover ratio	Inventory (Days)
2016-17	2,18,818	15,82,275	7.2	50
2017-18	2,19,019	17,10,875	7.8	47
2018-19	2,38,782	20,32,288	8.5	43
2019-20	2,35,681	19,80,325	8.4	43
2020-21	2,65,512	17,97,911	6.8	53

Source : DPE Publication

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(d)

Beyond reporting for Future Ready CPSEs

Initial reporting & disclosure

PRINCIPLE 2
Essential Indicator 1:
Percentage of R&D and capital Expenditure in specific technologies to improve ESG to total R&D and capital Expenditure

NATIONAL PRODUCTIVITY COUNCIL

Mr. Sarvanan has highlighted the importance of assets and its significance. He has emphasized on Assets sustenance in reference to BRSR framework (Ref: Principle 2- Indicator 1 & Indicator 2). The importance of Plant & Machinery and inventory management that play a very significant role in asset management. He has insisted on going beyond reporting for Future Ready CPSEs and to focus on increasing Plant Efficiency / Utilisation. He also deliberated on business principles of BRSR i.e.:

PRINCIPLE 2: Essential Indicator 1:

Percentage of R&D and capital expenditure in specific technologies to improve ESG to total R&D and capital expenditure

PRINCIPLE 2 : Essential Indicator 1:

Strategically aligning with utilization of plant and equipment, modernization etc.

He has explained the equipment level norms as case study of utilization of machinery as per the Coal India Ltd. (CIL) study and inventory details of CPSE and reflected on Inventory Turnover ratio and Inventory (Days). A way forward he suggested is that Strategic alignment of BRSR Indicators with Business irrespective of mandatory / voluntary is important ,and that continual improvement should be a focus.

The session chair, Shri Pawan Kumar, Principal Adviser, DPE, further summarised the takeaways of session 2. He also reflected on the importance of inter-generational efforts for enabling sustainability. He indicated an example that fruit trees planted by ancestors have been available for our generation to enjoy. Similarly each generation must contribute to the future ones. He praised SEBI on codifying ESG reporting process via BRSR framework that has been made available for corporate and CPSEs to adopt and respond to, towards contributing to sustainable development efforts.



Plate 19 : Shri Pawan Kumar, Principal Adviser, DPE, chaired the session and summarised perspectives and shared his views on the theme

Technical session 2 takeaways : This session enlightened participating CPSEs about importance of optimum sustainable utilisation of assets. It covered measures for enhancement of efficiency of assets which include equipment, land and buildings, etc., and importance of utility, criticality, commercial value and financial implications.

5.0 Technical Session 3 Theme: Roadmap for Future Ready CPSEs

As part of the first presentation of technical session 3, Shri Rajib Sekhar Sahoo, Director, Board of Directors, IGL, indicated that humanity has damaged environment significantly in the recent 50 years as compared to thousands of years of the past. He said we are writing a history of our own destruction by impacting environment incessantly and we need to be more responsible and reflected on importance of NGRBC principles as well as greater ethics and transparency.

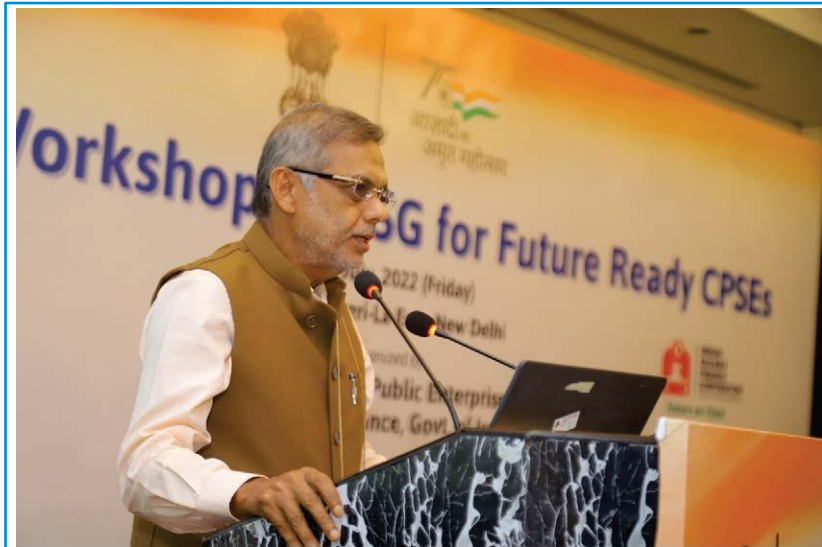


Plate 20 : Shri Rajib Sekhar Sahoo, Director, Board of Directors, IGL, Ltd. reflecting on perspectives towards roadmap for future ready CPSEs

Shri Sahoo emphasised that there are huge challenges and that PSUs have a strong platform and backup to address ESGs and BRSR, and that private sector needs to address resource challenges in particular to cope with ESG requirements. He insisted that corporate sector of India should rise to the occasion and stand out globally, and to meet international expectations towards high standard of business quality and to address changing cost structures to meet evolving ethical standards and compliance issues. He emphasised that non financial reporting is going to be an overriding factor. He indicated relevance of eco-friendly products and services to strengthen green lifestyles and to provide means to sustainable livelihoods.

The next speaker, Ms. Neha Vyas of the World Bank emphasised that a tiny COVID virus disrupted World functioning for 2 years and that there has been a tectonic shift and there is need for transformative initiatives and ESG and BRSR is central to a sustainable future and that green and blue infra are important focus areas. She highlighted the onus was on CPSEs to lead the transition. She emphasised that ESG agenda should be central in Board discussions and initiatives.

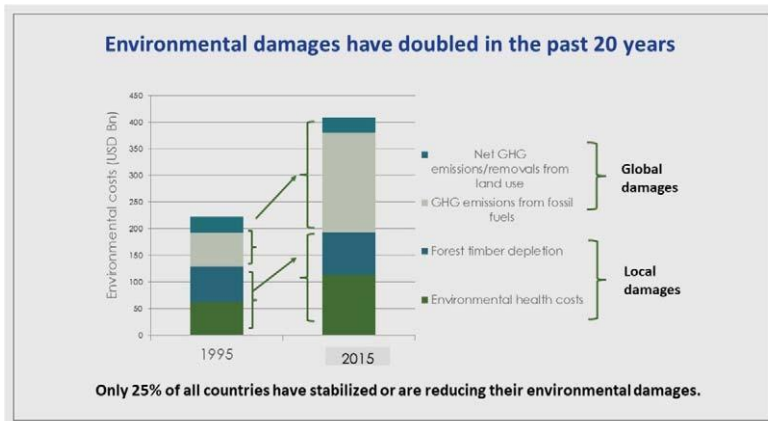


Plate 21 : Ms. Neha Vyas, Senior Environment Specialist, The World Bank, sharing thoughts and roadmap for future ready CPSEs

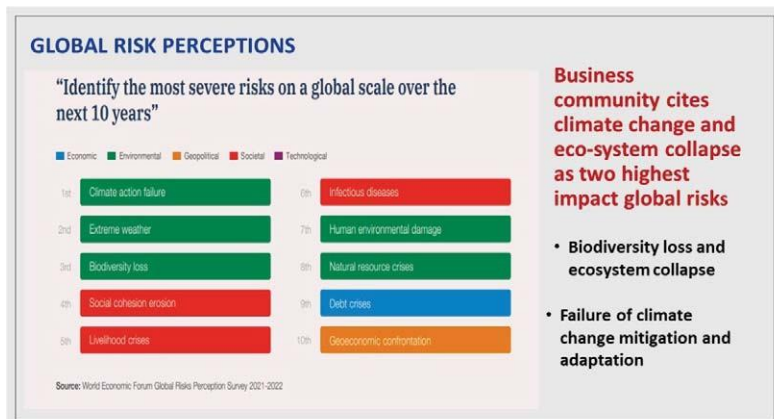
Key slides from the presentation of Ms. Neha Vyas is placed at figure 5.1(a-d).

Figure 5.1 (a-d) : Key presentation slides of Ms. Neha Vyas deliberations on Environmental impacts, global perceptions on risks and important considerations in ESG and BRSR reporting

(a)



(b)



(c)

1. Colossal change in mindsets

- Going beyond mere policy announcement and commitment declaration
- Compliance mentality is a high-risk strategy
- Contribution to Strategy and Business Model
- Permanent spot in the Business/Board Agenda

2. Measuring performance – paying attention to nuances

- Measuring performance/success – clarity in indicators
- Compelling data and feedback
- Benchmarking with peer companies/globally harmonized standards
- Periodic assessment and realignment to new business realities

(d)

3. Stakeholder's Value Transparency

- consistent and credible information is needed
- helps in making more informed choices
- builds trust
- enhances brand value

4. Preparing for a new world of business/investors

- understanding expectations of the investors
- upfront planning and changes in the systems

Ms. Vyas has informed about the detrimental effects due to economic well-being and improving levels of material comfort on the environment. She said “We have to get ready for the future preparedness and transformation through ESG which leads to environment sustainability”. The sustainability reporting and disclosures requirements are changing considering the effects of climate change, global emergency/pandemic and drive towards transparency. It has been also observed that environmental damages have been doubled in last 20 years and only about 25% of the countries have stabilized or are reducing their environmental damages. It is also observed that climate action failure, extreme weather, biodiversity loss etc are the most severe risks on global scale in last 10 years.

She also said that the importance of natural resources, natural capital, and public goods are being taken up in national accounting and CAG (Comptroller and Auditor General office) looking into it. She highlighted that ESG implementation required a change in mind sets, focusing on performance and success indicators and going beyond disclosures, compiling data and feedback, benchmarking with peer companies, periodic assessment and realignment of businesses, need attention towards stakeholder, value transparency (to build trust) and enhance brand value and preparing for a new world of responsible businesses/investors. She insisted that we need to watch our environmental footprints. She summarized that Effective management and successful delivery of programs/operations will require much stronger considerations and integration of environment, social and associated governance aspects.

In the third presentation of the session, Madam Prarthana Borah of CDP presented various statistics from their studies on evolving ratings and reporting efforts by international and national firms. She said that normally it takes three years of deep reporting efforts and data generation and analysis for firms to start structuring various ESG targets to achieve goals further ahead. She proposed that CDP data on reporting by corporations over 21 years could be leveraged for deeper insights and structuring and strengthening reporting frameworks.



Plate 22 : Ms. Prarthana Borah, India Director, CDP, presenting experience of CDP towards reflecting thoughts for a roadmap for future ready CPSEs

Some of the set of slides of Madam Borah presentation are placed at Figure 5.2 (a-h).

Figure 5.2 (a-h) : Insightful slides from the presentation by Madam Prarthana Borah regarding CDP studies and observations on national and international ESG reporting activity and trends

(a)



(b)

Rising ESG Trends Globally!

- 12 of World's largest investors (~USD 2 trillion) make bold commitments to net-zero emissions
- Many central banks including RBI signing up for NGFS
- TCFD was made mandatory by several countries including UK, New Zealand, Hong Kong, and Singapore

APAC Region leading on ESG taxonomy

- China, Japan, Malaysia, Mongolia, and ASEAN block developing taxonomies suited for local economic and development contexts
- China issued voluntary green investment guidelines in 2018
- Exchanges in Malaysia, Thailand, Vietnam, the Philippines, and Hong Kong have requested ESG reporting as a listing rule for all companies.

Corporate Disclosures in India - fairly nascent

- 89 Indian companies—report to CDP (2020)
- 45+ Companies - Integrated Rep. framework (2019)
- 40+ Companies - GRI format for their Sustainability reporting

(c)

YOU CAN'T MANAGE WHAT YOU DON'T MEASURE

- US\$301 billion** is the value at risk reported for water impacts in 2020
- \$53.1 billion** is the potential financial impact reported from deforestation risk in 2020
- US\$1.26 trillion** of financial impacts from environmental risks in the next 5 years reported by suppliers
- Just 26%** of reporting suppliers can fully trace their forest-risk commodities back to the forest, plantation or farm where they originated
- 220+** of the world's largest companies report cumulative gains of realizing business opportunities related to climate change at US\$2.1 trillion

(d)

- 69%** of companies disclosing for the third year have emissions reductions targets – compared to just 38% in year one.
- 1,300+** companies have set or committed to set a science-based target, as of April 2021
- 300+** Companies were recognized on CDP's A List for climate change, forests and water security in 2020.

(e)

India Corporate Disclosure- 2021 Highlights

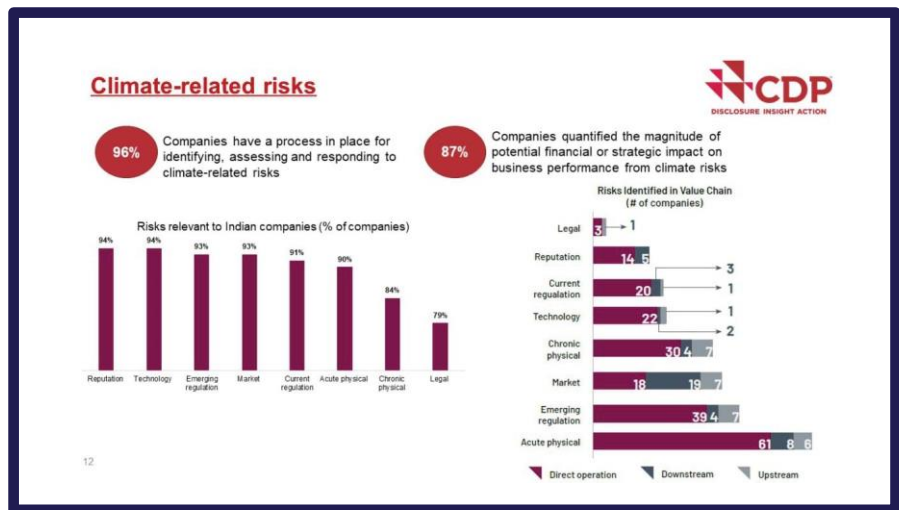
- Reported a total of **32 lakh crore** risk from Climate Change
- 1.2 billion tons** of CO₂e emissions reported
- 5%** of electricity sourced is from **renewable sources**
- 85%** of companies have **engagement strategies** across value chain
- 92 companies** from India have committed to ambitious **Science Based Targets**

88 Indian companies disclosed their data through CDP in 2021

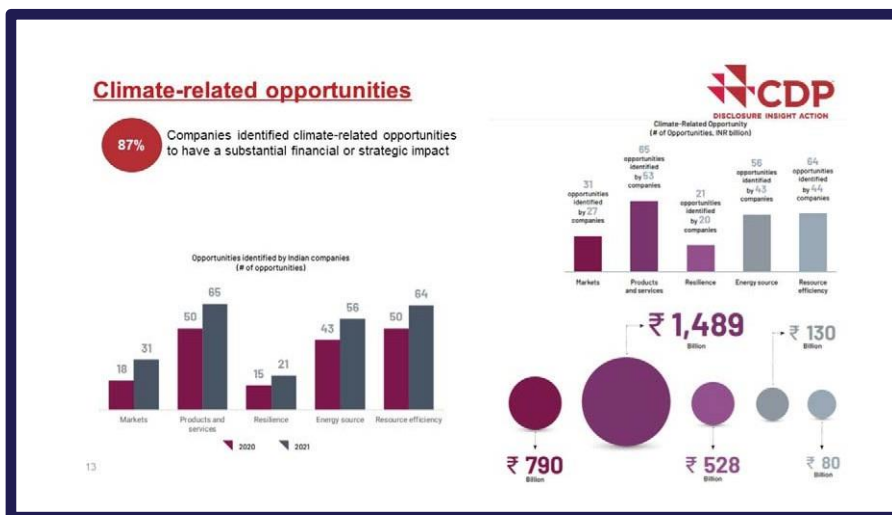
(f)



(g)



(h)



Madam Borah reflected on CDP studies on ESG concerns and reporting and on the inputs received from 590 investors that have over USD110 trillion in assets and from 14000+ companies, and from 1100+ cities, states and regions that disclosed environmental information. She also said that earlier 200+ companies from India were reporting on ESG parameters which is set to go up to 1000+ under BRSR reporting requirements.

Ms. Borah indicated that bold investments are likely ahead and that companies have opportunities to receive funding while needing to address financial risks in addition to environmental risks. She highlighted that taxonomies were evolving in Asia Pacific region and that science based ambitious target setting is occurring amongst companies. She also informed that last year 88 Indian companies disclosed to CDP on various parameters of which 5 were CPSEs, and that it was noted that ESG strategies were evolving. Further, she indicated that 85% of the companies have reflected on value chain engagements. She said focus on reputation is high and climate risks a conscious feature. She said that companies can win markets with suitable products and services. It was also emphasised that companies can set internal carbon pricing models and measurements. She indicated that in the CDP methodology there are overlapping questions and components as regards BRSR framework and reflected some of the CDP matrix elements pertaining to ESG reporting.

The session chair Dr. Sujit Kumar Bajpayee, Joint Secretary, Ministry of Environment, Forest and Climate Change highlighted that ESG be seen as a mechanism towards self disciplining and self regulation by industry and that greater sensitization and potential customisation of reporting could be looked into. He reemphasised issues of biodiversity, environmental damage considerations and need for measurements to better manage sustainable development efforts.



Plate 23: Dr. Sujit Kumar Bajpayee, JS, MOEFCC, chaired the 3rd technical session and presenting views on a roadmap for future ready CPSEs

Dr. Bajpayee emphasised that reporting forms need to be simpler. He informed that MoEF&CC has re-engineered the impact assessment forms such that project proponents can fill confidently and that online technology enabled system is an enabler. He praised PSU's for the wonderful work done over 70-80 years and encouraged the top 1000 companies to gear up and report more and achieve the targets.

The takeaways from Technical session 3 : The takeaways from this session included encouragement to CPSEs to prepare roadmaps encompassing the implementation challenge, and covered issues faced by Indian corporations especially CPSEs. Further, best practices adopted across national & international level, advantages/ benefits of ESG integrating into business strategy, ESG and its alignment with various sustainable development goals, climate action strategy etc. were addressed. This session helped in assessing the current level of preparedness of Indian corporations, understanding of the gaps and action to be taken towards the journey with measurable and quantifiable milestones while complying with the BRSR mandate of SEBI.

6.0 Panel Discussion & Q&As

In the open house questions were put forth by delegates from CPSEs and NPC etc. to the eminent panelists on ESG aspects. The challenge of reporting for value chains by principal firms/employers was revisited and the roles of core committees for ESG like in CSR sought. It was emphasised that ESG was an assurance to investors. Further, needs of service sector on ratings emphasised and that credit rating agencies could develop criteria for ESG reporting for service industries. Aspects of Zero Liquid Discharge for Thermal Power units was brought up for needing sector specific attention in ESG parameters as well. Also delegates sought attention on water withdrawals. The indication that HSE norms needed incident reporting was clarified as a feature to be reported including for contract labour of sub-contractors. Further, it was expressed that case examples on ESG and BRSR reporting initiatives be made available for enabling self evaluation by CPSEs, towards comparing initiatives and benchmarks, and to enable target setting for improved reporting initiatives.



Plate 24 : Panelists from SEBI, The World Bank, DPE, CPSE, NPC, IICA, addressing the Questions from the delegates and participants in the Workshop

Expectations were raised about SEBI to also focus on firms engaging in fresh IPOs for undertaking BRSR reporting. It was also indicated that institutes such as ICSI be engaged in the BRSR evolution and it was indicated that ICSI had already been approached and that ESG aspects were introduced in the syllabus for the exams and that ESG was being taken beyond corporate reporting framework in various ways and especially for capacity building efforts. On the question on need for standardised methodologies for reporting ESG parameters by firms across sectors as raised by delegate from NPC, such that also risk management focus avoids biases and risk distortions, the panel accepted the need for development of newer standards also on the processes and methodologies to be adopted for data generation, assessing, analysing and reporting on ESG parameters and indicators and that various future works are being envisaged on the ESG and BRSR reporting front. The panellists accordingly responded to various questions and provided clarifications on ESG and BRSR. It is further to be mentioned that the workshop was attended by over 50 CPSEs including the Navratnas and some of the PSUs included ONGC, Hindustan Petroleum, NTPC, Coal India Ltd., SAIL, Oil India, BHEL, CCL, GAIL, Chennai Fertilisers etc., and the list of participating CPSEs is presented at Annexure 3.

Figure 6.1 : Plates 25-30 : Pictures of delegates from CPSEs asking questions and seeking clarifications from the panelists regarding ESG and BRSR action



7.0 Closing Session

The closing session included a brief summary of the proceedings of the day, perspectives on ESG implementation, of initiatives by CPSEs as highlighted by Mr. Ashutosh Makup, Dy. Director (Industrial Engineering), NPC and Vote of Thanks by Mr. Harsh Thukral, Deputy Director, ECA Group, NPC.



Plate 31 : Mr. Ashutosh Makup, Dy. Director (Industrial Engineering), NPC sharing a perspective on ESG and scope beyond the reporting aspects



Plate 32 : A brief summary of the proceedings of the day and Vote of Thanks by Sh. Harsh Thukral, Deputy Director, ECA Group, NPC



Plate 33 : A post workshop group picture

Outcome and overall takeaways of the Technical sessions and the Workshop :

The National workshop on ESG engaged 80+ senior delegates and dignitaries from over 50 CPSEs in the intense discussions, as encouraged by the eminent speakers and panelists. The practical insights shared about ESG initiatives and the framework application, and of its evolving dimensions including key indicators and parameters provided an overview of the approach to ESG compliance and as references for building comparators and benchmarks, as further progress occurs on the theme in India and amongst CPSEs who are re-emphasised as the fundamental role models in the balanced growth story of India.

The workshop clarified various aspects of “E”, “S”, and “G” as part of ESG reporting and of the technicalities involved. Further, the participants and delegates provided feedback on the driving forces for ESG implementation in their organisations, and perspectives on skills and tools requirements for ESG initiatives, besides highlighting challenges and support needed for BRSR implementation. These perspectives have further led to identifying some key future initiatives to be undertaken by institutional system and the eco-system as reflected in section 9.

Overall the Workshop was an inspiring day of knowledge sharing, deliberations on ESG features and parameters, assimilation of insights on the working mechanisms and prospects for ESG applications for future ready public sector enterprises.

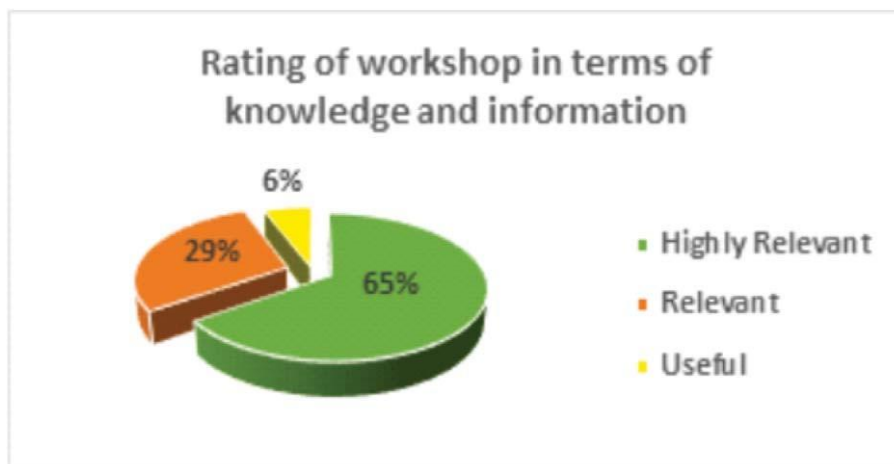
8.0 Feedback

In respect of the feedback received from the participants the following perspectives have been received.

8.1 Overall rating of the ESG Workshop

Overall rating of the Workshop by participants has been collated and charted and the indicative perspectives received as follows.

Figure 8.1 : Overall rating of the National Workshop on ESG by participants/delegates



8.2 Perspectives on learnings and takeaways from the ESG Workshop

As regards seeking qualitative and/or quantitative inputs a set of feedback queries have been responded to as follows.

8.2.1 What are the takeaways from the workshop?

8.2.1.1 In the context of understanding concerning Environment aspects of ESG :-

The companies and representatives have indicated improved understanding and learning on various aspects which included following statements :-

The significance of Climate Change, Management of Water & Other Resources and urban areas related issues. It is indicated that ESG improves focus and adapting ESG is becoming mandatory & BRSR is mandatory. Further, that ESG is an area wherein corporate sector has to adapt and accordingly change their strategies. It has been also indicated that the importance of EIA and its significance, Zero Discharge, Environmental reporting and Disclosure aspects got re-emphasised. Further, scope for Reduction in power consumption and green energy initiatives exists and CPSEs need to work hard to reduce their carbon emissions and industrial waste. Participants also indicated that it is learnt that focus on environment should be future driven and the discussion undertaken on ESGs in the workshop will help in preparing BRSR reports. It was further indicated that the workshop provided insights on COP 26 vision and commitments and that climate change is a reality and ESG compliance is a helpful step to understand the issues. Further, that we need to learn from mistakes of developed countries and not to make mistakes again. Learnt about CDP reporting information and various Statistics.

The workshop was helpful to learn about suitable parameters for various ESG categories and the need to be monitored and for disclosures. Greater clarity has been achieved on how Long term plan starts with small steps for the environment and importance to change the habits inside the organisation gradually based on the effort and ability. The participants also assimilated perspectives that Business should provide goods and services in a manner that is sustainable and safe and they need to work towards Net zero and that BRSR can help to assess status and strategies. As part of the process, carbon emission and water and environment footprint need to be checked.

It was also indicated by participants that they need to learn environmental parameter measurement approach and methodologies. It was observed that ESG mandates will be affecting the profitability if not taken care but can be of guidance to investors and can align the companies towards profitability through ESG matrix if done properly. Participants also gained understanding of the intent of BRSR and possible path it would take in future and that ESG focus and BRSR reporting needs scaling up at all CPSEs. Further, participants got insights on nature and aspects of Data record and data generation. Overall, participants realised the significance of efforts such as Climate change response, Water Resource management, Transition from linearity to circularity, Material efficiency, Clean technology, Energy efficiency etc., and gained an appreciation for sustainability reporting

8.2.1.2. In the context of understanding concerning Social aspects in ESG

The participants expressed the following views about understanding “S” in ESG. It was realised that Corporate Social Responsibility is a must. Social responsibilities of the Corporate should be in such a way that it should take care of every aspect of a society. It was learnt that Self disciplinary mechanism and manpower utilisation aspects are part of the component. Further,

that there should not be any type of discrimination and Safety & labour standards be addressed well along with CSR program. The “S” aspect also leads to focus on Labour Act, Grievance reporting and redressal, Gender Equality aspects etc.

It was indicated by participants that there is need for good workers' mix and enhanced participation by female gender. As part of social aspects equitable & inclusive development needs to be taken care of and that inherently all three i.e. E, S and G are inter-related. It was learnt that there is great importance of attending to various issues concerning Employees, labour relation and relations with community and that interoperability aspects to be taken into account amongst data and parameters across frameworks and ESG components.

Further, there is need for addressing importance of labour standards across supply chains and that awareness among the masses is a must for any target and community development. In addition there is need for improvement of documentation and strong IT system to implement ESG. Further, attention brought to Human rights policy and Gender balance and the importance of social impact assessments.

The participants felt that significant insights on Human capital, Gender equality and Labour Justice and Labour Welfare and Rights has been gained. Also the importance and aspects of Vendor/customer satisfaction and of community realised. Further, that safe and healthy working conditions, Labour Standards, Good relations with local community through CSR is an important features of the workshop related learnings. It was emphasised that participants could revisit the importance of (a). Inclusive growth, (b). Social outreach, (c). Workers remuneration, (d). Labour relation, (e). Community development, (f). Customer orientation, (g). Contractual and permanent workforce etc.

8.2.1.3 In the context of understanding concerning Governance aspects of ESG

The delegates indicated about the following aspects as learnt concerning the “G” aspect of ESG. It was indicated that significance of transparency in data collection is an important feature. Further, there is need for attention to Board priorities and that there is significant scope for improvement in governance based on BRSR reporting efforts. Further that ethics and transparency is increasingly becoming important.

The delegates have learnt about the significance of Board diversity, Corporate risk management and protecting stakeholders' interests and rights. They also indicated that review of in-house policies in ESG viewpoint is an important starting point. It was acknowledged also that compliance burden is a major issue but by going ahead it reduces over time.

The delegates also felt that there is an inspiration to become and target to become a global leader in sustainability in all aspects. Further, that there is a general understanding that CPSEs

are mostly compliant of governance parameters, yet many of the governance parameters not in the hands of CPSEs and the employees, and a thought needs to be given to improve on this aspect.

The delegates acknowledged that compliance to applicable laws and guidelines is important and that Governance needs to be driven from board level. There was also a need to be transparent and ensure fair disclosure. Further, it was emphasised that both Board's Conduct and Employees' conduct is important. Further that importance of Board composition and representation, HR policy, CSR policy and expectations from board and their involvement in decision making in sustainability related issues is a key set of factors.

8.3. Aspects of Driving forces for ESG initiatives

8.3.1 What is driving ESG focus in your organisation: For example Management Commitment, Compliance, Branding, Investment, any others please mention 4 to 5 drivers.

On the issue of ESG drivers, participants shared following opinions and perspectives. It is indicated that (a). Nature of the industry demands better ESG compliance; (b). There is scope for easier Financing; (c). Global warming and climate change impacts need attention ; (d). Stakeholders activism is to be taken into account and consideration; (e). Management commitment is important. Further, the driving forces include (a). Investment and returns from such activities; (b). Branding is always possible and there is likely need for also hiring PR agencies. In addition, the drivers also include (a). Gap Analysis indicators; (b). Need for Compliance of regulations; (c). Applications of various Monitoring frameworks; (d). Evolving ESG reporting framework etc.

It has been noted also that amongst the participants there is a view the drivers also include already initiated efforts and policies such as (a). Already existing full fledged ESMU departments (i.e. ESMU - Environment and Social Management Unit); (b). Detailed environmental and social due diligence; (c n). ESSF In place (ESSF- Environment and Social Safeguards Framework); (d). Preparation of annual environment and social monitoring reports; (e). ESSF policy in place.

Additional important drivers have been indicated as benefits concerning (a)1. Compliance; (b). Financial and Non financial investment; (c). Environmental factors; (d). Social cost benefits etc. Also drivers are 1. Risk mitigation; 2. Stakeholder push; 3. Reputation; 4. Meeting customer requirements. Additionally, importance of meeting and maintaining 1. Faith of employees; 2. Faith of management; 3. Faith of policies adopted.

A set of delegates also indicated important drivers such as (a). Enhancing credit rating; (b). Target towards reducing carbon emissions; (c). Human capacity building; (d). Corporate image;

(e). Stakeholder involvement, (f) Climate change mitigation measures- NZE (Net Zero emissions) ; and target of Net zero by 2040; (g) CSR- Health, Sanitation; (h). CSR- Education and skill development; (i). Low carbon emission products etc.

8.4. Perspectives on skills and tools requirement for ESG initiatives

As per deliberation in the workshop, what are the important skills and tools needed to implement ESG mandate?

The participants listed a range of skills, and tools related requirements to implement ESG mandate and to achieve BRSR compliance. These are enumerated below.

1. Awareness about climate change threat and impacts
2. "Mindset-Right" towards environment protection
3. System in place for data collection & collation
4. Training and Awareness
5. Positive thinking that it can be done
6. ESG reporting and compliance should be by following rules and regulations in true letter & spirit
7. Need for hiring professional agencies to make it possible in a effective manner.
8. Standardized format to be developed sector wise
9. Cost and time frame to be defined towards ESG reports
10. Incentive scheme to be introduced to incorporate who are doing better in the field of ESG
11. Filled BRSR to be available as a sample basis to be seen and understood
12. Detailed knowledge of ESG
13. Data capture tools and statistical analysis
14. Consolidation of information in a particular format
15. Coordination with various departments
16. Dedicated group/department in an organisation
17. Commitment of BoD (Board of Directors) and communications through sub-committees
18. Internal assessment for setting targets
19. Data collection system
20. ESG monitoring system
21. Self-assessment approach
22. Project oriented approach
23. ESG framework for the company
24. Initial support through seminars for reporting
25. Clear visibility of ESG targets

26. Mandatory reporting
27. Identifying specific company benefit by implementing ESG mandate
28. An IT enabled platform for meticulous collection of data for ESG reporting.
29. Measurement and verification
30. Statutory compliance requirements and fulfilment
31. Reporting tool / software for ESG
32. Sustainability/ productivity measurement
33. Sector specific measures and benchmarks
34. Uniformity of data requirement and approach/methodology
35. Exposure to global practices
36. Industry interaction
37. Mapping the entire business value chain in the scope of sustainability & integrated with business model

8.5. Perspectives on Challenges faced in ESG / BRSR reporting

8.5.1 Challenges faced by industry CPSEs in ESG / BRSR reporting, implementation (Please Specify)

The delegates shared details of a number of challenges being faced pertaining to ESG implementation as follows.

1. Convincing the concerned departments about the new data requirements
2. Time available is very short and Financial year begins in April and report is to be often completed by June and these become challenging
3. Issue of differentiation and accounting between Temporary workers/ Permanent workers Vs Executive/Non Executive and Clarity on these aspects etc.
4. Since we will be implementing for the first time to know the real concept of ESG. Effective implementation subsequently will always be a challenging task. But once it is done, then periodic reporting will be easier
5. Trained expertise in the field needed as once upon a time these were not available
6. Need for suitable budgetary provision on particular aspects of ESG framework
7. More exposure needed at international level to better understand the ESG framework and reporting
8. Compliance costs accounting to be understood
9. Lack of Clarity as a weakness among employees/departments
10. Lack of robust data or making data robust a challenge
11. It is not appearing to have adequate flexibility
12. Company wise data collection and segregation of data on ESG is a challenge

13. For multi product, multi service company, disclosure needs to be clearer.
14. Measurement issues appear challenging
15. Availability and understanding of data
16. Information collection in prescribed formats and parameters need to be defined. Nature of activities is ICT focused and many environment related issues do not directly relate.
17. Aspects of objectivity and subjectivity to be addressed appropriately
18. Things which are beyond the control of CPSEs. For example:- Recruitment of Directors
19. Breakup of GHG Into CO₂, CH₄, N₂O, HFC, PFC, SF₆, NF₃, (Boundary wise)
20. Awareness clarity amongst stakeholders about compliance and various reporting frameworks and suitable participation
21. Challenges in implementation and localization of ESG measures
22. Over reliance on regulatory mandate rather than innate business cultures
23. Multiple reporting frameworks adopted globally are evolving ones and along with BRSR
24. Sector specific reporting is required.
25. How to address variation in commitments across organisations for ESG reporting, and if so how to address
26. Non availability of ready data or easy to observe/generate data for various parameters
27. BRSR format may need to be industry specific
28. Implementation must precede the reporting
29. Lack of in-depth training and understanding
30. Diverse nature of disclosures comprising of various facts as it is a non-financial disclosure
31. To incentivise ESG-Awards may be introduced by SEBI/ GOI
32. Changes in reporting formats time to time
33. Data integration, generating high quality data and management of the alignment.
34. Clarity needed on e-commerce company related ESG requirements etc.

8.6. ESG / BRSR reporting support requirements

8.6.1 In which of the following areas, you think support is required?

- NPC as a one stop service provider for supporting your organization in ESG area
- Institutional support for organizational ESG initiatives, integrating it into your business strategy and BRSR reporting
- Making existing ESG mechanism more robust and standardized
- Independent impact evaluation of existing ESG/BRSR initiatives
- Training and capacity building on ESG/BRSR

The participant responses have been collated on above suggested support needs and charted as presented in Figure 8.6.1.

Figure 8.6.1 : Charts 1 - 5 on perspectives and responses by participants on various potential support needs for ESG/BRSR reporting



Chart 1: Perspectives on whether NPC may be considered as a one stop service provider



Chart 2: Perspectives on need for institutional support

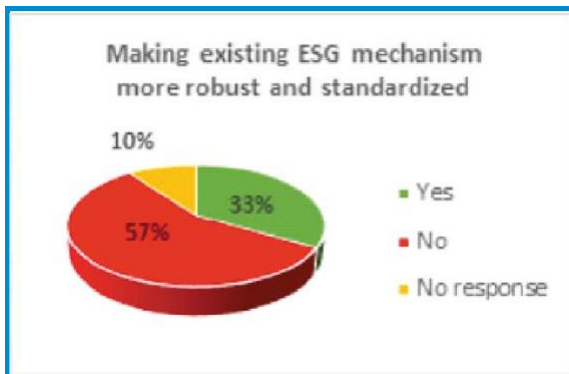


Chart 3: Opinions on making existing ESG mechanism more robust and standardised

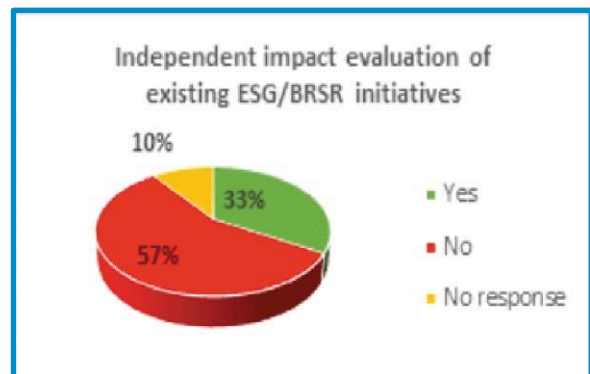


Chart 4: The importance of independent impact evaluation of existing ESG / BRSR framework

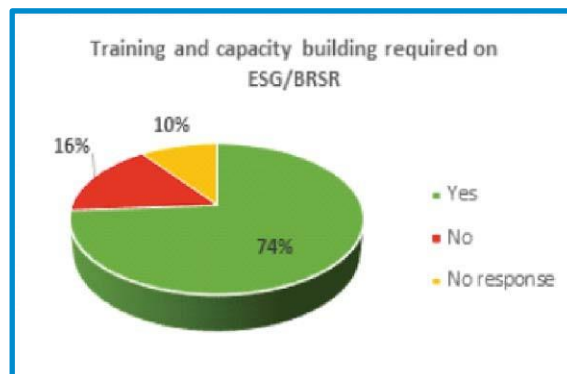


Chart 5: Perspectives on capacity building requirements on ESG / BRSR aspects

It can be noted that about 46% of the participants are of the opinion that NPC may be one stop holistic service provider, and about 44% respondents indicated need for institutional support. In addition about 1/3 responses indicated need for ESG mechanism to be made more robust and standardised and similarly also that independent impact evaluation be undertaken of existing ESG / BRSR framework. It has been further recorded that about 74% of the participants emphasised need for training and capacity building on ESG / BRSR aspects amongst CPSEs.

9.0 Future initiatives

The workshop has enabled fresh attention and need for impetus on ESG implementation and BRSR compliance among CPSEs. The scope for future initiatives accordingly has emerged as follows.

9.1 A revisit to indicative Challenges and situation analysis regarding BRSR compliance by CPSEs

- Over-reliance on regulatory mandate rather than innate business culture:
 - o It's important that various initiatives which are being taken by corporations in the area of sustainability need to be inculcated into actionable/ measurable plans which are required to be adopted across various functional verticals.
- Awareness, clarity amongst stakeholders about compliance and various reporting frameworks:
 - o Presently, the reporting under BRSR has gained momentum across corporations due to the mandatory disclosure notice by SEBI; however, awareness of various components of BRSR and its significance across the value chain remains more challenging.
- Challenges in implementation and localization of ESG measures:
 - o The ESG and sustainability framework being the non-financial disclosures are therefore diverse in nature comprising of various facets. Further, the sustainability measures across sectors including the manufacturing & service are also unique to the business. This demands for support not only in designing sector specific actionable, and measurable plans, but also to support in implementation, monitoring & reporting.
- External Assurance:
 - o External assurance of sustainability reporting as per various standards is a process whereby an independent practitioner performs procedure, obtains evidence and after obtaining reasonable assurance about the information, expresses a conclusion designed to enhance the degree of confidence of decision makers. Presently, such external assurance on sustainability is not adequately prevalent which would have provided the

implementing corporations an opportunity for continuous improvement.

- Multiple reporting framework adopted globally and alignment of BRSR:
 - o Presently the corporations are adopting various sustainability/ non-financial reporting frameworks to meet the international requirements, and with the mandate of SEBI, BRSR compliance also required. Therefore, it is necessary that alignment of sustainability measures be undertaken so that the same can be reported across various platforms/frameworks.

9.2 NPC as a one stop end to end solution provider on ESG

NPC is an autonomous organization under Deptt. Of Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Govt. of India, and was established in the year 1958 with the objective of dissemination of productivity culture across all areas of economy by providing consultancy, training & research. With its vast diversified experience in the areas of resource efficiency through Cleaner Production services, Energy Management and Environment & Climate Action Group; enhancing productivity of manufacturing & service sector through Industrial Engineering Group; development of Human Resources through HRM Group; improving productivity of the farm sector through Agri Business Group and supporting the policy makers in reviewing of schemes/ policies through Economic Service Group and Monitoring and Evaluation initiatives across departments. Through its pan India presence with 12 regional offices across the country and with strength of more than 115 professionals, NPC can provide end-to-end solution in the area of ESG, sustainability and BRSR compliance to corporations. The potential areas of support are mentioned as below:

- NPC can carry out Gap Analysis and need assessment of existing process/ system for checking the readiness/ preparedness of CPSEs for compliance to BRSR/ ESG.
- NPC can design framework, sector specific measures, tool kit and action plan for implementation of BRSR/ ESG related compliance
- NPC can design dash board/ monitoring framework for periodic measuring/ monitoring of all sustainability measures being taken by various business functions/ verticals/ units/ entire value chain of CPSEs.
- NPC can assist CPSEs in preparing the BRSR compliance by compiling, consolidating all sustainability measures for submission to SEBI.
- NPC can provide external assurance to CPSEs thereby providing third party assessment of the measures/ initiatives taken by corporations in the areas of BRSR compliance/ sustainability reporting
- Training, Capacity building & sensitization of CPSEs on ESG, sustainability & BRSR compliance, and its significance.

Figure 9.1 : COMPETENCY AREAS OF NPC ALIGNED WITH ESG DRIVERS:

NPC COMPETENCY AREAS SYNCHRONIZED WITH ESG DRIVERS

	ESG DRIVERS	KNOWLEDGE VERTICAL	NPC COMPETENCY AREAS
ENVIRONMENTAL	<p>Resource Efficiency, Carbon Emission, 3R Principles, Food Safety, Energy Conservation, Cleaner Production, Clean Technology, EPR, Waste Management, Environment Management, Suitable Agriculture</p>	<p>Energy Management, Environment & Climate Action Group, Agri Business, Inspection Division</p>	<p>Energy Audit, Water Audit, Energy Efficiency Studies, baseline and evaluation of PAT scheme, Resource optimization, Capacity building & certification of Energy Managers & Energy Auditors etc.</p> <p>Industrial Pollution prevention & control, waste minimization, Comprehensive environment audit, performance evaluation of waste management infrastructure, adequacy & efficacy studies, post EC compliance monitoring, environment research & policy assignments</p> <p>Impact Evaluation and Assessment of various schemes related to Agriculture and allied sector of Central/ State/ Research Institutes.</p>
SOCIAL	<p>Workforce planning & harmony, Non-executive & executive remuneration, Workplace safety & 5S, Human Rights, Bonus and Incentive & employee benefits, Resource Efficiency, Customer Satisfaction, Lean Management, Career Progression, Community development, Labour relation, Diversity & inclusion, Optimization of production and productivity, Human Capital productivity</p>	<p>Industrial Engineering, Economic Services, Agri Business, Environment & Climate Action Group, Monitoring & Evaluation, Human Resource Management, Energy Management</p>	<p>Economic studies policies and programmes of State/ central Government and International organizations. Publishing various index for IMDB, Asian Productivity Organization on various parameters</p> <p>Third Party Audits of FBOs for Dairy sector, Food Storage/ Cold Storage & Food Transportation as per FSSAI standard; Inspections of Warehouses as per WDMA Rules, 2017. Capacity building subjects related to Food Safety regulations of the country</p> <p>Organizational restructuring, Manpower Planning, HR Policy, Incentive, remuneration planning, Performance Measurement System, Non-Executive Manpower Norms as per ILO standards, Compensation Management,</p>
GOVERNANCE	<p>Socio-economic & CSR Policy, Organizational restructuring, Anti-corruption, RTI and whistle blower policy, Compliance, Purchase & Procurement policy, Corporate Risk Management, HR Policy, Quality Management System, Shareholder rights & Audit Committee</p>	<p>Economic Services, Industrial Engineering, Human Resource Management, Information Technology, Finance Division</p>	<p>Lean Management; Production planning & resource optimization; Manpower Planning and optimization; Process Management; Workforce planning; Supply Chain Management</p> <p>Monitoring, Evaluation and Impact Assessment of various schemes, policies and programmes of State/ central Government. Socio-Economic Studies, CSR programme (Baseline and Impact Assessment)</p>

9.3 Way forward

To empower the CPSEs through sensitization about various aspects of sustainability and its significance to business and future investment. Capacity building of professionals, practitioners, future leaders on design, implementation, monitoring and reporting framework of sustainability concerning to specific industry sector. To prepare the CPSEs for all voluntary, regulatory, statutory compliances and related requirements for sustainability and sustenance of business. To provide a holistic and futuristic approach and framework for the CPSEs to make them future ready and future leaders in the area of sustainability.

Annexures

Final Programme Schedule

Resource Speaker Profiles in Brief

Profile of Executing Team

List of CPSEs participated

**Snapshot of Workshop notings desk for recording and capturing
proceedings**

Media Coverage

Annexure 1

Final program Schedule



National Workshop on ESG for Future Ready CPSEs

29th July 2022 (Friday) 10:00 AM to 05:00 PM

Hotel Shangri La (Vyas & Yamuna), 19, Ashoka Road, Janpath, New Delhi

Organized by

Department of Public Enterprises (DPE), Ministry of Finance, Govt. of India

PROGRAM

Indian Std Time	Program
10:00-10:30 AM	Registration
10:30-10:35 AM	Introductory remarks by Shri Pawan Kumar, Principal Adviser, DPE, Gol
10:35-10:45 AM	Address by Shri Sundeep K Nayak, IAS, DG, NPC
10:45-11:00 AM	Keynote Address by Shri. Rajesh K Chaudhry, Special Secretary, DPE, Gol
11:00-11:05 AM	Vote of Thanks by Shri Amitabh Banerjee, CMD, IRFC
11.05-11.20 AM	Tea/Coffee break
11.20-11.50 AM	Technical Session I: Chaired by Dr. Rajeev Ranjan, IAS, (Retd.) Assistance to Organizations to be ESG compliant in a sustainable manner: Sh. K D Bhardwaj, Director, NPC
11.50-12.00 PM	Technical Session I cont'd Integrating ESG in Business Strategy: Dr. Raj Singh, Regional Director (North), Min. of Corp. Affairs, Gol
12.00-12.30 PM	Technical Session I cont'd The BRSR mandate and its compliance: Ms. Surabhi Gupta, General Manager, SEBI
12.30-01.00 PM	Technical Session I cont'd Challenges in BRSR Reporting & Best Practices: Perspective of CPSEs- <ul style="list-style-type: none"> Shri Sanjay Kishore Shrivastava, Executive Director- Chief Carbon Management and Sustainability Group [CM&SG], ONGC Shri Santosh Kumar Takhele, General Manager (Environment & Sustainable Development), NTPC
01.00-01.15 PM	Technical Session I: Address by Session Chair, Dr. Rajeev Ranjan, IAS, (Retd.)
01.15-02.15 PM	Lunch break
02:15-03:00 PM	Technical Session II: Chaired by Shri Pawan Kumar, Principal Adviser DPE, Gol Potential of ESG in pursuit of Sustainable Development: Shri Jiwesh Nandan, IAS, (Retd.), Sr. Advisor, NPC Sustainable utilization of assets and enhancement of efficiencies: Shri G Saravanan, Director, NPC
03.00-03.45 PM	Technical Session III: Chaired by Dr. Sujit Kumar Bajpayee, JS, MoEFCC, Gol Road map for Future Ready CPSEs: <ol style="list-style-type: none"> CA Shri Rajib Sekhar Sahoo, Director, Board of Director, IGL, New Delhi Ms. Neha Vyas, Senior Environment Specialist, World Bank, New Delhi Ms. Prarthana Borah, India Director, CDP
03:45-04.00 PM	Tea/Coffee break
04.00-04.45 PM	Open house on Way Forward: Moderated by Shri Pawan Kumar, Principal Adviser, DPE, Gol Panelists: CPSEs, DPE, NPC, MoEFCC, SEBI, IICA, MCA
04.45-05.00 PM	Closing session: Address by Shri Rajesh K Chaudhry, Special Secretary, DPE, Gol Vote of Thanks: by Shri Harsh Thukral, Dy. Director, NPC

Resource Speaker Profiles in Brief

Inaugural Session

1. Introductory remarks by Shri Pawan Kumar, Principal Adviser, DPE

Sh. Pawan Kumar, (Principal Adviser-DPE) has more than 30 years of professional experience working with Private Sector (Textile, Petrochemical, Medical devices), Department of Expenditure, Department of Commerce & Department of Economic Affairs. A Cost & Management Account by profession, He has represented India at the 10th Plenary Meeting of the Policy Dialogue on Natural Resource- Based Development and Building Collective Knowledge for Actionable Policies, and shared India's insights and experience in the transition to a low-carbon development pathway, during June 2018- at OECD, Paris, France.

2. Welcome address by Shri Sundeep Kumar Nayak, IAS, Director General, NPC.

Shri Nayak is an IAS Officer of 1988 Batch of Jammu & Kashmir Cadre. He assumed the charge as Director General, National Productivity Council (NPC) on 08th December, 2021. Prior to NPC, Shri Nayak has served as Managing Director, National Cooperative Development Corporation (NCDC). In his illustrious career in Indian Administrative Services, he has held key positions as Principal Secretary, Government of Jammu & Kashmir, Principal Secretary, Agriculture Production Department as well as Principal Secretary, Power Development Department, Government of Jammu & Kashmir.

3. Keynote address by Shri Rajesh Kumar Chaudhry, IFS, Special Secretary, Department of Public Enterprise.

Sh. Rajesh Kumar Chaudhry, (Special Secretary- DPE) is an IFS officer (Punjab 1987 Batch), and holds more than 35 years of experience working with both the State Government and Govt. of India. He holds M. Phil Degree in Botany from Department of Botany, University of Delhi and P.G. in Forestry from Indira Gandhi National Forest Academy, Dehradun.

Technical Session I

Session Chair: Shri Rajeev Ranjan, IAS (Retd.)

Shri. Rajeev Ranjan is a retired IAS officer of 1985 batch, Tamil Nadu cadre, and has held various positions in his 35 years long service. He has impressive academic accomplishments to his credit. He is a physics graduate with MBA from IIM Ahmadabad. He has a Post Graduate Degree in public policy from London School of Economics and a Certificate in intellectual property rights from University of Geneva. As a Director & Joint Secretary in DIPPI, Ministry of Commerce and Industry, he was involved in revamping intellectual property laws and the preparation of national manufacturing strategy and competitiveness program.

Technical Presentation 1: Assistance to Organizations to be ESG compliant in a sustainable manner:

Presenter : Sh. K D Bhardwaj, Director, is presently heading the Energy Management and Environment & Climate Action Division of NPC along with the International Services Group. During his past 25 years' association with NPC and Asian Productivity Organization (APO), Shri Bhardwaj has had vast experience in the areas of industrial pollution prevention & control, waste management, green productivity, circular economy, energy conservation & efficiency.

Technical Presentation 2: Theme: Integrating ESG in Business Strategy

Presenter : Dr. Raj Singh, Regional Director (North), Ministry of Corporate Affairs, Government of India.

Dr. Raj Singh is a 1996 batch officer of Indian Corporate Law Service. A Post Graduate in Commerce, Management and Law, he is holding a Doctorate Degree in Income Tax. Dr. Raj has been a Junior Research Fellow of University Grants Commission. He has published over 100 articles in leading Newspapers and Journals on Income Tax, Capital Market, History and religion aspects. Dr. Raj is presently posted as Regional Director, Ministry of Corporate Affairs, in the Northern Region in Delhi. He has been Registrar of Companies for the States of Punjab, Himachal Pradesh, Chandigarh, Madhya Pradesh and Chhatisgarh.

Technical Presentation 3: The BRSR Mandate and its compliance

Presenter: Ms. Surabhi Gupta, General Manager, SEBI

Ms. Surabhi Gupta is currently working as General Manager SEBI and manages Corporate Finance Department and handles matters related to ESG and corporate Governance. Over the last 5 years she has worked extensively towards strengthening the regulatory framework for CRAs (credit rating agencies), including their supervision, inspection, and enforcement. She has served as member secretary of RBI-SEBI technical committee on CRAs and has led working groups on matters related to Debenture trustee.

Technical Presentation 4: Challenges in BRSR Reporting

1. Shri Sanjay Kishore Shrivastava, Executive Director (Chief Carbon Management and Sustainability Group i.e., CM&SG), ONGC.

Shri Sanjay Kishore Shrivastava, Executive Director (Chief Carbon Management and Sustainability Group i.e., CM&SG), ONGC, is looking after the sustainability activities across 400+ installations pan India in ONGC and on-land and high seas. He has pioneered Integrated Reporting in ONGC in 2020-21 and introduced BRSR from 2021-22 onwards in ONGC. He looks after a large sustainability portfolio of ONGC covering Clean Development Mechanism, Global Methane Initiative, GHG Accounting and Abatement, Gas Flare Reduction, Energy efficient Equipment's and Lighting, Induction of New Technologies, Net zero emission, Sustainable Water Management, etc.

2. Mr. Santosh Kumar Takhele, General Manager (Environment & Sustainable Development), NTPC

Mr. Santosh Kumar Takhele, General Manager (Environment & Sustainable Development), NTPC, has 34+ years of rich work experience in Indian power sector and the associated supply chain. His work area includes Sustainability, Climate Change, Material Procurement, O&M (Operation & Maintenance) of power plants, Regional Operation Services, Environment & Sustainable Development. Currently, he is associated in Net Zero Strategy of NTPC in association with NITI Aayog, Sustainability Reporting, ESG Strategy, etc.

Technical Session II

Session Chair: Sh. Pawan Kumar, Principal Adviser, DPE, Govt. of India.

Sh. Pawan Kumar, (Principal Adviser-DPE), holds more than 30 years of experience working with Private Sector (Textile, Petrochemical, Medical devices), Department of Expenditure, DDA, Department of Commerce, Department of Economic Affairs. A Cost & Management Account by profession, he has represented India at the 10th Plenary Meeting of the Policy Dialogue on Natural Resource- Based Development Building Collective Knowledge for Actionable Policies, shared India's insights and experience in the transition to a low-carbon development pathway, June 2018- at OECD, Paris, France.

Technical Presentation 5: Potential of ESG in pursuit of Sustainable Development:

Presenter: Shri Jiresh Nandan, IAS, (Retd.)

Mr. Jiresh Nandan is having more than 34 years of experience in the areas of administration

managing various state and central run public sector organizations. He was a member of the committee formed by the Ministry of Power under the Chairmanship of Member, Power Systems, Central Electricity Authority, to give recommendations for the tariff structure of transmission and established the first Energy Service Company in India-- Energy Efficiency Services Ltd. He was at EESL as founding CEO in 2010-11 and Principal Secretary, New and Renewable Sources of Energy in the Government of UP from 2011 to 2015.

Technical Presentation 6: Sustainable utilization of assets and enhancement of efficiencies:

Presenter: Shri G. Saravanan, Director (Industrial Engineering), NPC

Mr. G Saravanan, Director (IE) at NPC is currently heading the Industrial Engineering & Inspection Division of National Productivity Council (NPC). During last 20 years of experience with NPC, Mr. Saravanan has handled many assignments in the areas of assessment of Human resources, Quality Management, Inventory Management, Productivity improvement, organizational restructuring, capacity assessment, equipment utilization, Lean Management etc.

Technical Session III

Theme: Roadmap for Future Ready CPSEs

Session Chair: Dr. Sujit Kumar Bajpayee, Joint Secretary, MoEF&CC

Dr. Sujit Kumar Bajpayee is an academically qualified Doctorate in Environmental Sciences from one of the most prestigious and globally recognized institution of the country i.e. JNU. Dr. Bajpayee is a domain expert in the field of Environment who had an illustrious career of about 19 years in managing sustainability related issues with a large public sector company of the country, including about 9 years of field experience in North Eastern part of country.

Due to his deep understanding of the issues involved, positive outlook and strong adaptability to multicultural work environments, in no time he has been able to make a place for himself in MoEFCC, and he has been assigned multiple and important responsibilities. At one hand, he has been assigned critical IA and CRZ Divisions of Ministry including Policy Division, on the other hand he has also been assigned another important task of setting up a Centralized Processing Centre (CPC) in the Ministry which would be a technology driven one point window for all green issues, from all types of applications to compliance monitoring. With his experience and expertise in Environmental Planning and Policy, he has been on the forefront of several systemic reforms Ministry has taken in last couple of years.

Technical Presentation 7: Roadmap for Future Ready CPSEs

Presenter1:

1. CA Shri Rajib Sekhar Sahoo, Director, Board of Director, IGL, New Delhi

Shri Rajib Sekhar Sahoo is a practicing Chartered Accountant & Principal partner of SRB & Associates. During his career he has held several positions: As Trustee in Paradip Port Trust; as Director in Andhra Bank; as Director in NTPC, and also served Hindustan Zinc Limited, and THDC India Limited (Tehri Hydro Development Corporation India Limited).

At present he is an Independent Director, Indraprastha Gas Limited, Kalinga Hospitals Limited and Director in Odisha State Civil Supplies Corporation Ltd.(OSCSC Ltd). He is a member in Investor Education and Protection Fund Authority (IEPF), Member of Laxman Rao Inamdar National Academy for Cooperative Research Development.

2. **Presenter 2: Ms. Neha Vyas**, has wide experience in the domain of environment management, policy & advocacy and also has held several positions in World Bank & similar multinational bilateral organizations. She is presently working as Senior Environment Specialist, World Bank, New Delhi.

3. **Presenter 3: Ms. Prarthana Borah** is India Director of CDP (formerly the Carbon Disclosure Project), a global not-for-profit headquartered in the UK. She leads the India program strategy for disclosure and science-based target setting of over 100 Indian corporations and cities. An experienced country head, Prarthana was earlier India Director of Clean Air Asia. An environment sector expert with over twenty-five years of field experience in climate change, air pollution, conservation, and environmental education, she has mobilized stakeholder engagement projects with United Nations Agencies, and on policy documentation with the Indian Ministries. She was the lead writer of the Ministry of Environment, Forest, and Climate Change publication on Climate-friendly Sustainability practices of India, released by the Hon'ble PM of India, Shri Narendra Modi. She is a sector expert with the MOHUA's, climate-smart cities framework and developed the air quality indicators.

Additional Panelist in Open House : Dr Garima Dadhich, Associate Professor with Indian Institute of Corporate Affairs (IICA). She is heading the School of Business Environment/ National Foundation for Corporate Social Responsibility (NFCSR) and Centre for Business and Human Rights at IICA. She has also worked as Assistant Professor of Law at National Law University Jodhpur for five years and has taught several courses under corporate and commercial laws. She has around 14 years of academia, industry and development sector experience. Her current areas of interest are Corporate Social Responsibility, Corporate Governance, Business Sustainability and Business Laws.



Profile of Executing Team

1. Workshop proceedings and vote of Thanks : Dr. Harsh Thukral, Deputy Director, Environment and Climate Action Group

Dr. Harsh Thukral is Dy. Director (Environment and Climate Action Group) in National Productivity Council. He has done Bachelors in Civil Engineering, Masters in Environmental Science and Engineering, having post graduate specialization in Industrial Pollution Prevention and Control (Indo-German collaboration programme) and Ph.D. in Regional Development (housed in Public Policy and Management Group) from IIM Calcutta. He has 27+ years experience in consultancy, research, Monitoring and Evaluation Studies and training. He has experience in cleaner production, environmental audits, waste management, water and waste water management, air pollution control and project management. He has a number of publications in his name. He has been core editor of Waste Minimisation Circle Newsletters. He has assisted various industries in meeting their environmental compliances.

He has worked with Indian National Cleaner Production Centre (NCPC)- instituted by UNIDO, UNEP & NPC- initiatives on Sustainable Development including program design and implementation. He has developed methodologies for industrial clusters rating, ranking and benchmarking and Productivity Integrated Monitoring and Evaluation for Programs, Schemes and Projects.

2. Workshop Facilitation: Mr. Ashutosh Makup, Deputy Director, Industrial Engineering

Mr. Ashutosh Makup is currently working as Deputy Director in the Council since 2008. During his last 13 years with the council, Mr. Makup had carried several policy levels studies, evaluation & impact assessment of schemes/ programmes for Central & State Govts. Many socio-economic studies have enabled the policy makers, implementors to amend the provisions to make such policies more inclusive and effective in terms of ensuring citizen centric approach. He had also been involved with organization restructuring, Manpower planning, HR policy formulation for various departments, PSUs and private organizations. He is also part of the team for implementation & monitoring of flagship scheme of Ministry of MSME for improving competitiveness of SMEs across the country. Prior to joining NPC, he was with IDBI Bank & ICICI Bank. He holds Bachelors Degree of Engineering and Law.

3. Workshop logistics: Mr. Yadu Yadav, Assistant Director, Administration Division

Mr. Yadu Yadav is currently working as Assistant Director, Administration Division at NPC. He holds a bachelors Degree in Computer Science & Engineering and Post Graduate in Industrial Engineering

He is a Certified Professional with Distinction in Project Management(CIPM) from I2P2M and also Trained by Asian Productivity Organisation (APO) on Implementation of Advanced Tools & Techniques on 5 'S'

He is a Productivity Consultant with 10 plus years of experience in IT, manufacturing & service sector. He has successfully undertaken various projects in the field of Lean Manufacturing, Developing and implementing 5S, Process Management & Implementation of Productivity Tools & Techniques in various Govt organizations / PSUs

4. Workshop facilitation: Ms. Sweta Kumari, Deputy Director, Finance Division

Ms. Sweta Kumari is currently working as a Deputy Director, Finance Division at NPC and has over 12+ years of experience in the domain of Manpower assessment studies, performance audit of organizations, productivity assessments and competitiveness studies for various PSUs and corporates.

She is a graduate in Agricultural Engineering and Post Graduate in Industrial Engineering.

5. Master of Ceremony of the Workshop: Ms. Nikita, Assistant Director, Environment and Climate Action Group

Ms. Nikita is working as Assistant Director (Environment and Climate Action Group) in National Productivity Council. Ms. Nikita is from Engineering background, having Bachelors in Environmental Engineering and Post Graduate specialization in Environment Management. She has 11+ years' experience in consultancy, training, research in circular economy, bio-medical waste management treatment system designing, waste audits and other waste management, wastewater management and assisted various organizations and industries in meeting their environmental compliances. She is national expert for APO Tokyo in circular economy. She is a Certified Trainer (by Skill Council of Green Jobs) on industrial wastewater management. She is Associate member of Institution of Engineers, Environmental Engineering Division.

Annexure 4

List of CPSEs participated

SN	Ministry/Departments	Name of CPSE
1	Petroleum & Natural Gas	Balmer Lawrie & Co. Ltd.
2		Bharat Petroleum Corporation Ltd.
3		Chennai Petroleum Corporation Ltd.
4		Engineers India Ltd.
5		Gail India Ltd.
6		Hindustan Petroleum Corporation Ltd.
7		Indian Oil Corporation Ltd.
8		Mangalore Refinery & Petrochemicals Ltd.
9		Oil & Natural Gas Corporation Ltd.
10		Oil India Ltd.
11	Defence Production	BEML Ltd.
12		Bharat Dynamics Ltd.
13		Bharat Electronics Ltd.
14		Garden Reach Shipbuilders & Engineers Ltd.
15		Hindustan Aeronautic Ltd.
16		Mazagaon Dock Shipbuilders Ltd.
17		MIDHANI
18	Ministry of railways	Indian Railway catering and Tourism Corp. Ltd.
19		Indian Railway Finance Corporation Ltd.
20		IRCON International Ltd.
21		Rail Vikas Nigam Ltd.
22		Railtel Corporation India Ltd.
23		RITES
24	Power	NHPC Ltd.
25		NTPC Ltd.

26		Power Finance Corporation Ltd.
27		Power Grid Corporation of India Ltd.
28		REC Ltd.
29		SJVN Ltd.
30	Fertilizers	Fertilizer and Chemicals Travancore Ltd.
31		Madras Fertilizer Ltd.
32		National Fertilizers Ltd.
33		Rashtriya Chemicals & Fertilizers Ltd.
34	Steel	KIOCL Ltd.
35		MSTC
36		MOIL Ltd.
37		NMDC Ltd.
38		Steel Authority of India Ltd.
39	Mines	Hindustan Copper Ltd.
40		National Aluminum Corporation Ltd.
41	Heavy Industry	Andrew Yule & Co. Ltd.
42		Bharat Heavy Electricals Ltd.
43		HMT Ltd.
44	Coal	Coal India Ltd.
45		NLC India Ltd.
46	Housing & Urban Affairs	NBCC (India) Ltd.
47	Telecommunications	ITI Ltd.
48	Ports, Shipping and Waterways	Cochin Shipyard Ltd.
49	Chemicals & Petrochemicals	Hindustan Organic Chemicals Ltd.
50		Hindustan Insecticides Ltd
51	Shipping	Shipping Corporation of India Ltd.
52	Ministry of Finance	IIFCL

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Annexure 5

Workshop notings desk for recording and capturing proceedings



Media Coverage





NEW DELHI | FRIDAY | JULY 29, 2022

Wed, 27 Jul 2022 09:30 PM



CPSEs' workshop on being ready for ESG programmes

PIONEER NEWS SERVICE
NEW DELHI

Representatives from over 50 top Central Public Sector Enterprises (CPSEs) will congregate here on Friday at a national workshop to brainstorm how to be future ready for the Environment, Social and Governance (ESG) programmes to not only stay competitive in global market but also meet India's climate change commitments made at CoP 26 summit at Glasgow in Scotland last year. While price, quality and deliveries were the focus earlier, ESG compliance has increasingly been added as a prerequisite for better performance in the global market where 'Go green' has become a buzz word amid climate change threats, Sundeeep Nayak, DG, National Productivity Council (NPC) said on the need to hold such a workshop, a first in series.

NPC, with its large cross-sectoral talent pool, is a knowledge partner in this initiative, kicked off by the Union Finance Ministry's Department of Public Enterprises (DPE) which has been entrusted with the task to take stock of where these entities stand and what steps needed to make them ESG ready. The meet 'ESG for future ready CPSEs', also aims to handhold these entities like GAIL and ONGC, to name a few, to achieve Prime Minister Narendra Modi's vision of five nectar elements (Panchamrit) of the country's climate action focusing achieving net zero emissions by 2070.

"He had also said half of the country's energy requirements would be met using renewable sources by 2030, cutting down carbon intensity by at least 45 pc by 2030, reaching 500 GW non-fossil energy capacity by 2030, reducing total projected carbon emission by one billion tonnes by 2030," Nayak told reporters at a curtain-raiser of the event here. He said that a seven-point strategy 'Saptabadi' has been prepared to help these entities comply with ESG rating to meet the mandates of the Securities Exchange Board of India (SEBI).

The Government has also released National Guidelines on Responsible Business Conduct in 2019 in this regard, he pointed out, adding that based on these outlines, the SEBI has mandated ESG compliance for the top 1000 listed entities (by market capitalization) from 2022-23.

सर्वजनिक उपकरणां को पर्यावरण अनुकूल बनाने का मुहिम शुरू का गइ है। इसके तहत कपानियों का ऊर्जा ऑडिट से लेव सात सूत्री रणनीति पर काम किया जा रहा है। इन मुद्दों को लेकर सार्वजनिक उपकरणां के लिए 29 जुलाई को एक कार्यशात का आयोजन किया जा रहा है। इसमें 56 सार्वजनिक उपकरणां समेत बड़े पैमाने पर निजी कंपनियों के भाग लेने की संभाव है।

राष्ट्रीय उत्पादकता परिषद यानी एनपीसी ने देश के सार्वजनिक उपकरणां को पर्यावरण, सामाजिक और शासन (ईएसजी) निवेश के अनुकूल बनाने के लिए ऊर्जा दक्ष बनाने की मुहिम शुरू की है।

कंपनियों को अपना कार्बन उत्सर्जन कम करने में सफलता मिलेगी

राष्ट्रीय उत्पादकता परिषद के महानिदेशक संदीप नायक ने कहा कि केंद्र सरकार ने जलवायु लक्ष्यों को हासिल करने के लिए 2030 तक कार्बन उत्सर्जन की तीव्रता को 45 फीसदी तक कम करने का लक्ष्य रखा है। इस दिशा में कई स्तरों पर काम हो रहा है। शेयर बाजार में सूचीबद्ध देश की शीर्ष 1,000 कंपनियों में भी ऊर्जा दक्षता मानकों को लागू किया जाना है। इन शीर्ष एक हजार में 56 सार्वजनिक उपकरण भी हैं। नायक ने कहा कि ईएसजी मानकों के पालन से कंपनियों को अपना कार्बन उत्सर्जन कम करने में सफलता मिलेगी। इसके आधार पर वह स्वीच्छिक रूप से उत्सर्जन में कमी की घोषणा कर सकेंगे।

परिषद के महानिदेशक ने कहा कि कार्यशाला में सार्वजनिक उपकरणां के अलावा निजी क्षेत्र की कंपनियां, लघु एवं मध्यम उद्योग भी हिस्सा लेंगे। ये ऊर्जा दक्षता बढ़ाने और अन्य उपायों पर चर्चा करेंगे। जलवायु लक्ष्यों को हासिल करने के लिए सेबी ने ईएसजी फंड को बढ़ावा दिया है। ईएसजी फंड के उपयोग बढ़ने से कंपनियों में पर्यावरण अनुकूल प्रथाएं अपनाने में मदद मिलेगी, क्योंकि जो कंपनियां ऐसा नहीं करेंगे, उनमें ईएसजी फंड का निवेश नहीं किया जाएगा। इन तमाम मुद्दों पर कार्यशाला में चर्चा होगी।

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